


STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING					FORM 3 AMENDED REPORT <input type="checkbox"/>	
<b>APPLICATION FOR PERMIT TO DRILL</b>				<b>1. WELL NAME and NUMBER</b> 14-34-46 DLB		
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				<b>3. FIELD OR WILDCAT</b> ALTAMONT		
<b>4. TYPE OF WELL</b> Oil Well Coalbed Methane Well: NO				<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>		
<b>6. NAME OF OPERATOR</b> BILL BARRETT CORP				<b>7. OPERATOR PHONE</b> 303 312-8164		
<b>8. ADDRESS OF OPERATOR</b> 1099 18th Street Ste 2300, Denver, CO, 80202				<b>9. OPERATOR E-MAIL</b> dspencer@billbarrettcorp.com		
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> 20G0005500		<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>				<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>		
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>				<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>		
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b> UTE		<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		<b>19. SLANT</b> VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
<b>20. LOCATION OF WELL</b>	<b>FOOTAGES</b>	<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>
<b>LOCATION AT SURFACE</b>	559 FSL 2404 FWL	SESW	34	4.0 S	6.0 W	U
<b>Top of Uppermost Producing Zone</b>	660 FSL 1980 FWL	SESW	34	4.0 S	6.0 W	U
<b>At Total Depth</b>	660 FSL 1980 FWL	SESW	34	4.0 S	6.0 W	U
<b>21. COUNTY</b> DUCHESE		<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 4620		<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 640		
		<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 3050		<b>26. PROPOSED DEPTH</b> MD: 7500 TVD: 7450		
<b>27. ELEVATION - GROUND LEVEL</b> 7370		<b>28. BOND NUMBER</b> LPM 879501		<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> Duchesne City Culinary Water Dock		
<b>ATTACHMENTS</b>						
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>						
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER			<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)			<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)			<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
<b>NAME</b> Elaine Winick		<b>TITLE</b> Sr. Permit Analyst		<b>PHONE</b> 303 293-9100		
<b>SIGNATURE</b>		<b>DATE</b> 11/03/2010		<b>EMAIL</b> ewinick@billbarrettcorp.com		
<b>API NUMBER ASSIGNED</b> 43013504570000		<b>APPROVAL</b>  Permit Manager				

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Cond	26	16	0	80		
Pipe	Grade	Length	Weight			
	Unknown	80	65.0			

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	1500		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	1500	36.0			

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	8.75	5.5	0	7500		
Pipe	Grade	Length	Weight			
	Grade P-110 LT&C	7500	17.0			

## **DRILLING PLAN**

BILL BARRETT CORPORATION

14-34-46 DLB

SHL: SESW, 559' FSL & 2404' FWL, Section 34-T4S-R6W

BHL: SESW, 660' FSL & 1980' FWL, Section 34-T4S-46W

Duchesne County, Utah

### **1 - 2. Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals**

<u>Formation</u>	<u>MD</u>	<u>TVD</u>
Lower Green River	3765'*	3748'
Douglas Creek	4587'	4543'
Black Shale	5312'	5263'
Castle Peak	5522'	5473'
Wasatch	6067'*	6018'
TD	7500'	7450'

\*PROSPECTIVE PAY

The Wasatch and Lower Green River are the primary objectives for oil/gas.

### **3. BOP and Pressure Containment Data**

<u>Depth Intervals</u>	<u>BOP Equipment</u>
0 – 1,500'	No pressure control required
1,500' – TD	11" 3000# Ram Type BOP 11" 3000# Annular BOP
- Drilling spool to accommodate choke and kill lines;	
- Ancillary equipment and choke manifold rated at 3,000#. All BOP and BOPE tests will be in accordance with the requirements of onshore Order No. 2;	
- The BLM and the State of Utah Division of Oil, Gas and Mining will be notified 24 hours in advance of all BOP pressure tests.	
- BOP hand wheels may be underneath the sub-structure of the rig if the drilling rig used is set up To operate most efficiently in this manner.	

### **4. Casing Program**

<u>Hole Size</u>	<u>SETTING DEPTH</u>		<u>Casing Size</u>	<u>Casing Weight</u>	<u>Casing Grade</u>	<u>Thread</u>	<u>Condition</u>
	<u>(FROM)</u>	<u>(TO)</u>					
26"	surface	80'	16"	65#			
12 1/4"	surface	1,500'	9 5/8"	36#	J or K 55	ST&C	New
8 3/4" & 7 7/8"	surface	7500'	5 1/2"	17#	P-110	LT&C	New

**5. Cementing Program**

16" Conductor Casing	Grout cement
9 5/8" Surface Casing	Approximately 120 sx Halliburton Light Premium cement with additives mixed at 11.0 ppg (yield = 3.16 ft <sup>3</sup> /sx) circulated to surface with 75% excess. Approximately 370 sx Halliburton Premium cement with additives mixed at 14.8 ppg (yield = 1.36 ft <sup>3</sup> /sx).
5 1/2" Production Casing	Approximately 910 sx Tuned Light cement with additives mixed at 11.0 ppg (yield = 2.31 ft <sup>3</sup> /sx). Approximately 540 sx Halliburton Econocem cement with additives mixed at 13.5 ppg (yield = 1.42 ft <sup>3</sup> /sx). Estimated TOC = surface.

**6. Mud Program**

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u> (API filtrate)	<u>Remarks</u>
80' – 1,500'	8.3 – 8.8	26 – 36	NC	Freshwater Spud Mud Fluid System
1,500' – TD	8.6 – 10.6	42-52	20 cc or less	DAP Polymer Fluid System
Note: Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kicks" will be available at wellsite. BBC may require minor amounts of diesel to be added to its fluid system in order to reduce torque and drag.				

**7. Testing, Logging and Core Programs**

Cores	None anticipated;
Testing	None anticipated; drill stem tests may be run on shows of interest;
Sampling	30' to 50' samples; surface casing to TD. Preserve samples all show intervals;
Surveys	MWD as needed to land wellbore;
Logging	DIL-GR-SP, FDC-CNL-GR-CALIPER-Pe-Microlog, Sonic-GR (all TD to surface). FMI & Sonic Scanner to be run at geologist's discretion.

**8. Anticipated Abnormal Pressures or Temperatures**

No abnormal pressures or temperatures or other hazards are anticipated.

Maximum anticipated bottom hole pressure equals approximately 4,106 psi\* and maximum anticipated surface pressure equals approximately 2,467 psi\*\* (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

\*Max Mud Wt x 0.052 x TD = A (bottom hole pressure)

\*\*Maximum surface pressure = A – (0.22 x TD)

**9. Auxiliary equipment**

- a) Upper kelly cock; lower Kelly cock will be installed while drilling
- b) Inside BOP or stab-in valve (available on rig floor)
- c) Safety valve(s) and subs to fit all string connections in use
- d) Mud monitoring will be visually observed

Bill Barrett Corporation  
Drilling Program  
14-34-46 DLB  
Duchesne County, Utah

**10. Location and Type of Water Supply**

Water for the drilling and completion will be trucked from the Duchesne City Culinary Water Dock located in Sec. 1, T4S, R5W.

**11. Drilling Schedule**

Location Construction:	Approximately May 15, 2011
Spud:	Approximately August 1, 2011
Duration:	20 days drilling time
	45 days completion time



# Bill Barrett Corporation

## LAKE CANYON & BLACK TAIL RIDGE CEMENT VOLUMES

Well Name: 14-34-46 DLB

### Surface Hole Data:

Total Depth:	1,500'
Top of Cement:	0'
OD of Hole:	12.250"
OD of Casing:	9.625"

### Calculated Data:

Lead Volume:	328.8	ft <sup>3</sup>
Lead Fill:	600'	
Tail Volume:	493.3	ft <sup>3</sup>
Tail Fill:	900'	

### Cement Data:

Lead Yield:	3.16	ft <sup>3</sup> /sk
% Excess:	75%	
Top of Lead:	0'	

### Calculated # of Sacks:

# SK's Lead:	120
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Tail Yield:	1.36	ft <sup>3</sup> /sk
% Excess:	75%	
Top of Tail:	600'	

# SK's Tail:	370
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### Production Hole Data:

Total Depth:	7,500'
Top of Cement:	0'
Top of Tail:	5,500'
OD of Hole:	8.750"
OD of Casing:	5.500"

### Calculated Data:

Lead Volume:	2083.9	ft <sup>3</sup>
Lead Fill:	5,500'	
Tail Volume:	757.9	ft <sup>3</sup>
Tail Fill:	2,000'	

### Cement Data:

Lead Yield:	2.31	ft <sup>3</sup> /sk
Tail Yield:	1.42	ft <sup>3</sup> /sk
% Excess:	50%	

### Calculated # of Sacks:

# SK's Lead:	910
# SK's Tail:	540



## 14-34-46 DLB Proposed Cementing Program

<u>Job Recommendation</u>		<u>Surface Casing</u>	
<b>Lead Cement - (600' - 0')</b>			
Halliburton Light Premium	Fluid Weight:	11.0	lbm/gal
5.0 lbm/sk Silicalite Compacted	Slurry Yield:	3.16	ft <sup>3</sup> /sk
0.25 lbm/sk Kwik Seal	Total Mixing Fluid:	19.48	Gal/sk
0.125 lbm/sk Poly-E-Flake	Top of Fluid:	0'	
2.0% Bentonite	Calculated Fill:	600'	
	Volume:	58.57	bbl
	<b>Proposed Sacks:</b>	<b>120</b>	<b>sks</b>
<b>Tail Cement - (TD - 600')</b>			
Premium Cement	Fluid Weight:	14.8	lbm/gal
2.0% Calcium Chloride	Slurry Yield:	1.36	ft <sup>3</sup> /sk
	Total Mixing Fluid:	6.37	Gal/sk
	Top of Fluid:	600'	
	Calculated Fill:	900'	
	Volume:	87.85	bbl
	<b>Proposed Sacks:</b>	<b>370</b>	<b>sks</b>

<u>Job Recommendation</u>		<u>Production Casing</u>	
<b>Lead Cement - (5500' - 0')</b>			
Tuned Light™ System		Fluid Weight:	11.0 lbm/gal
		Slurry Yield:	2.31 ft³/sk
		Total Mixing Fluid:	10.65 Gal/sk
		Top of Fluid:	0'
		Calculated Fill:	5,500'
		Volume:	371.13 bbl
		<b>Proposed Sacks:</b>	<b>910 sks</b>
<b>Tail Cement - (7500' - 5500')</b>			
Econocem™ System		Fluid Weight:	13.5 lbm/gal
0.125 lbm/sk Poly-E-Flake		Slurry Yield:	1.42 ft³/sk
1.0 lbm/sk Granulite TR 1/4		Total Mixing Fluid:	6.61 Gal/sk
		Top of Fluid:	5,500'
		Calculated Fill:	2,000'
		Volume:	134.97 bbl
		<b>Proposed Sacks:</b>	<b>540 sks</b>

## **PRESSURE CONTROL EQUIPMENT – Schematic Attached**

**A. Type:** Eleven (11) Inch Double Gate Hydraulic BOP with Eleven (11) Inch Annular Preventer. The blow out preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. 3-inch diameter choke line.
5. Two (2) choke line valves (3-inch minimum).
6. Kill line (2-inch minimum).
7. Two (2) chokes.
8. Two (2) kill line valves, one of which shall be a check valve (2-inch minimum).
9. Upper kelly cock valve with handles available.
10. Safety valve(s) & subs to fit all drill string connections in use.
11. Pressure gauge on choke manifold.
12. Fill-up line above the uppermost preventer.

**B. Pressure Rating:** 3,000 psi

**C. Testing Procedure:**

### *Annular Preventer*

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition, the Annular Preventer will be functionally operated at least weekly.

### *Blow-Out Preventer*

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be

maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

#### **D. Choke Manifold Equipment:**

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

#### **E. Accumulator:**

The accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if so equipped), close all rams plus the annular preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of closing unit pumps. The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity and the fluid level of the reservoir will be maintained at the manufacturer's recommendations.

The BOP system will have two (2) independent power sources to close the preventers. Nitrogen bottles (3 minimum) will be one (1) of these independent power sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in the *Onshore Oil & Gas Order Number 2*.

A manual locking device (i.e. hand wheels) or automatic locking device will be installed on all systems of 2M or greater. A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will be maintained in the open position and will be closed only when the power source for the accumulator is inoperative.

Remote controls shall be readily accessible to the driller. Remote controls for all 3M or greater systems will be capable of closing all preventers. Remote controls for 5M or greater systems will be capable of both opening and closing all preventers. Master controls will be at the accumulator and will be capable of opening and closing all preventers and the choke line valve (if so equipped).

**F. Miscellaneous Information:**

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*. The choke manifold will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 125 feet (minimum) from the center of the drill hole to a separate flare pit.

T4S, R6W, U.S.B.&M.

BILL BARRETT CORPORATION

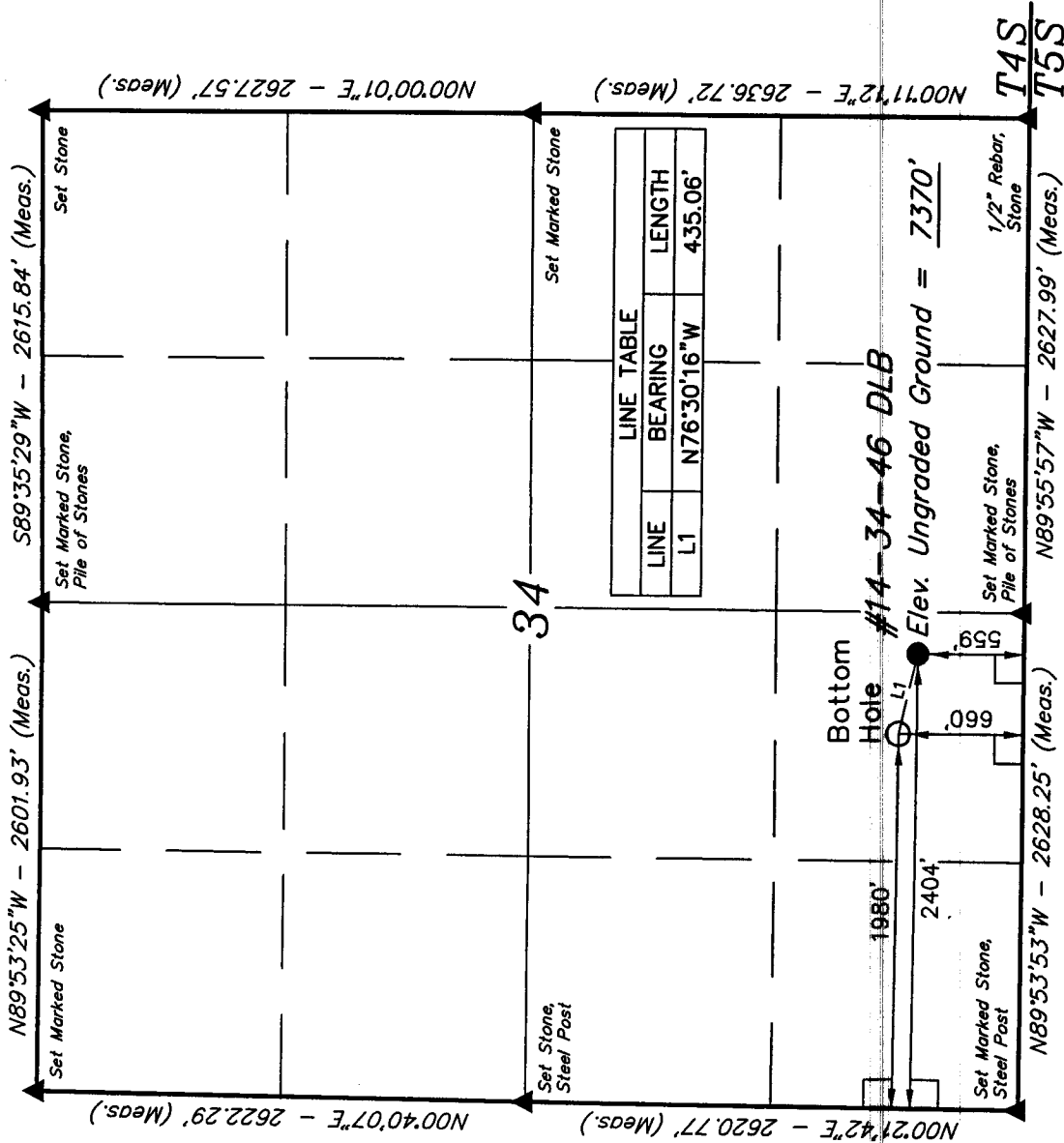
Well location, #14-34-46 DLB, located as shown in the SE 1/4 SW 1/4 of Section 34, T4S, R6W, U.S.B.&M., Duchesne County, Utah.

BASIS OF ELEVATION

BENCH MARK (M67) LOCATED IN THE SW 1/4 OF SECTION 9, T5S, R4W, U.S.B.&M., TAKEN FROM THE DUCHESNE SE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 6097 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE AND SURVEYOR'S SEAL

THIS IS TO CERTIFY THAT THE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. BARRETT

REGISTERED LAND SURVEYOR

STATE OF UTAH

NO. 10357

UTAH ENGINEERING & LAND SURVEYING

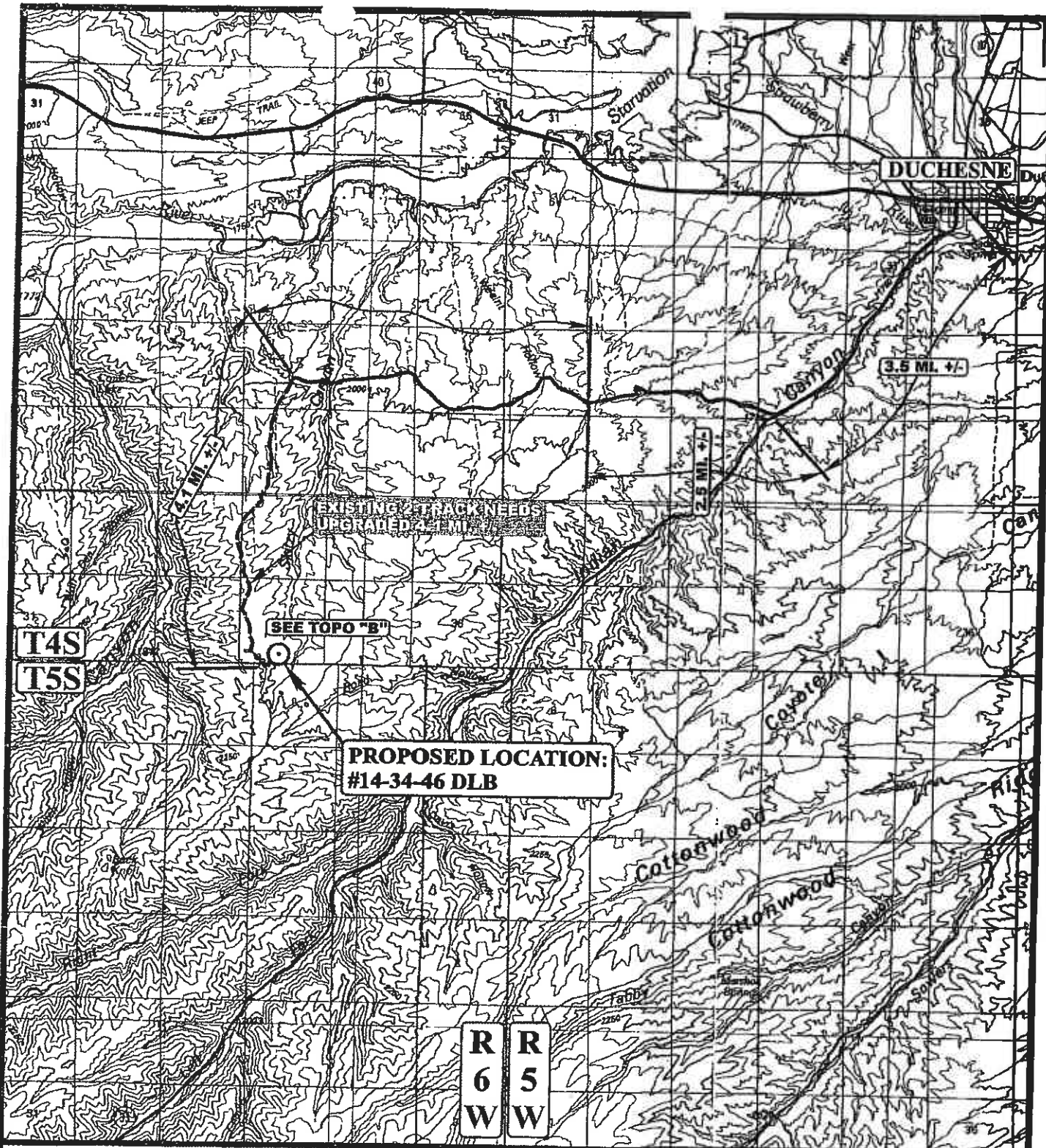
85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	04-20-07	04-21-07
PARTY	REFERENCES	
D.R. K.A. P.M.	G.L.O. PLAT	
WEATHER	FILE	
COOL		BILL BARRETT CORPORATION

LEGEND:

- = 90° SYMBOL
  - = PROPOSED WELL HEAD.
  - ▲ = SECTION CORNERS LOCATED.
- (NAD 83)
- LATITUDE = 40°05'02.55" (40.084042)
- LONGITUDE = 110°32'59.89" (110.549969)
- (NAD 27)
- LATITUDE = 40°05'02.70" (40.084083)
- LONGITUDE = 110°32'57.33" (110.549258)



# **LEGEND:**

○ PROPOSED LOCATION

**BILL BARRETT CORPORATION**

**#14-34-46 DLB**

**SECTION 34, T4S, R6W, U.S.B.&M.**

**559' FSL 2404' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAG (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**04** **30** **07**  
 MONTH DAY YEAR

**SCALE: 1:100,000** **DRAWN BY: A.A.** **REVISED: 00-00-00**

**A**  
**TOPO**

**N**

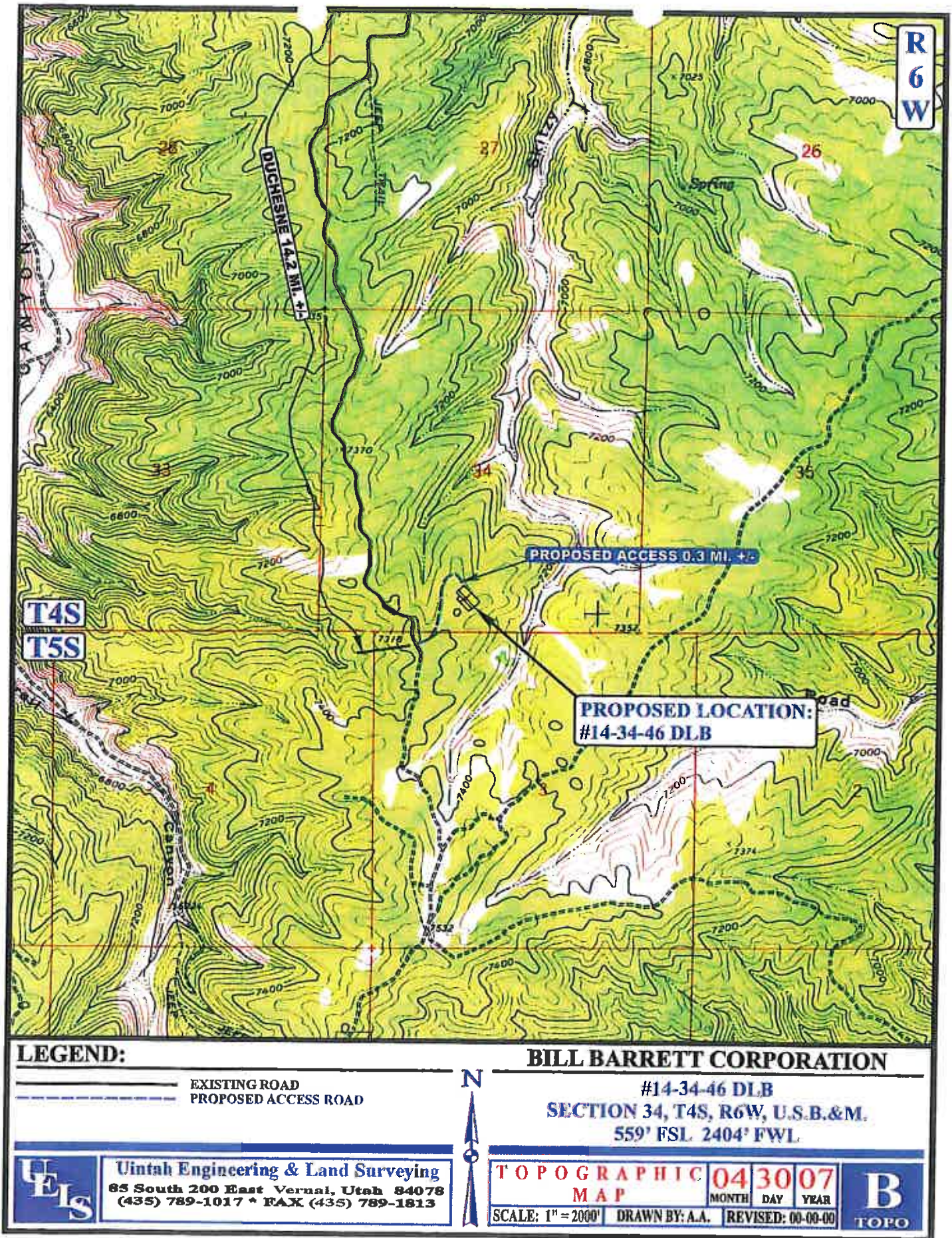


**R**  
**6**  
**W**

**R**  
**5**  
**W**

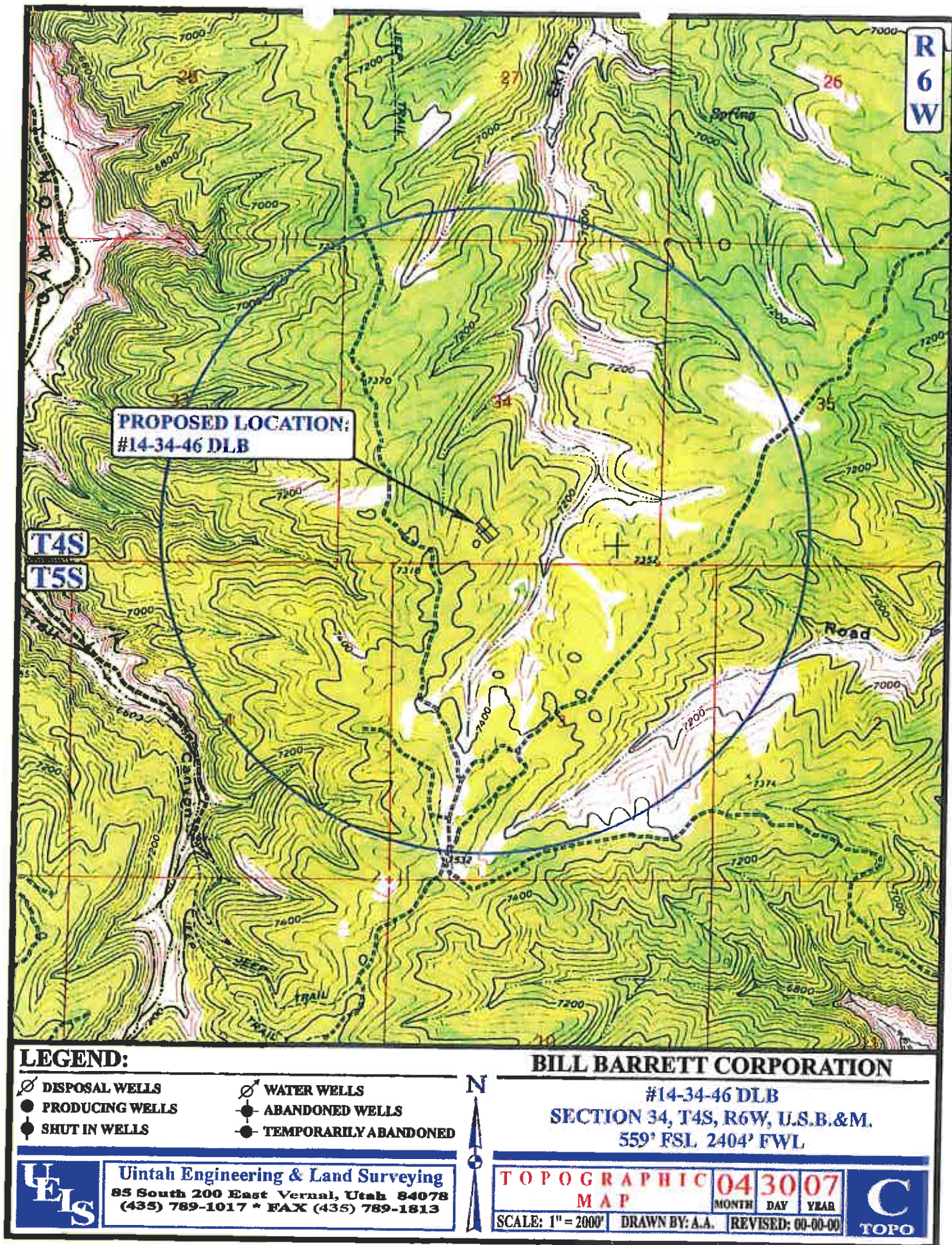


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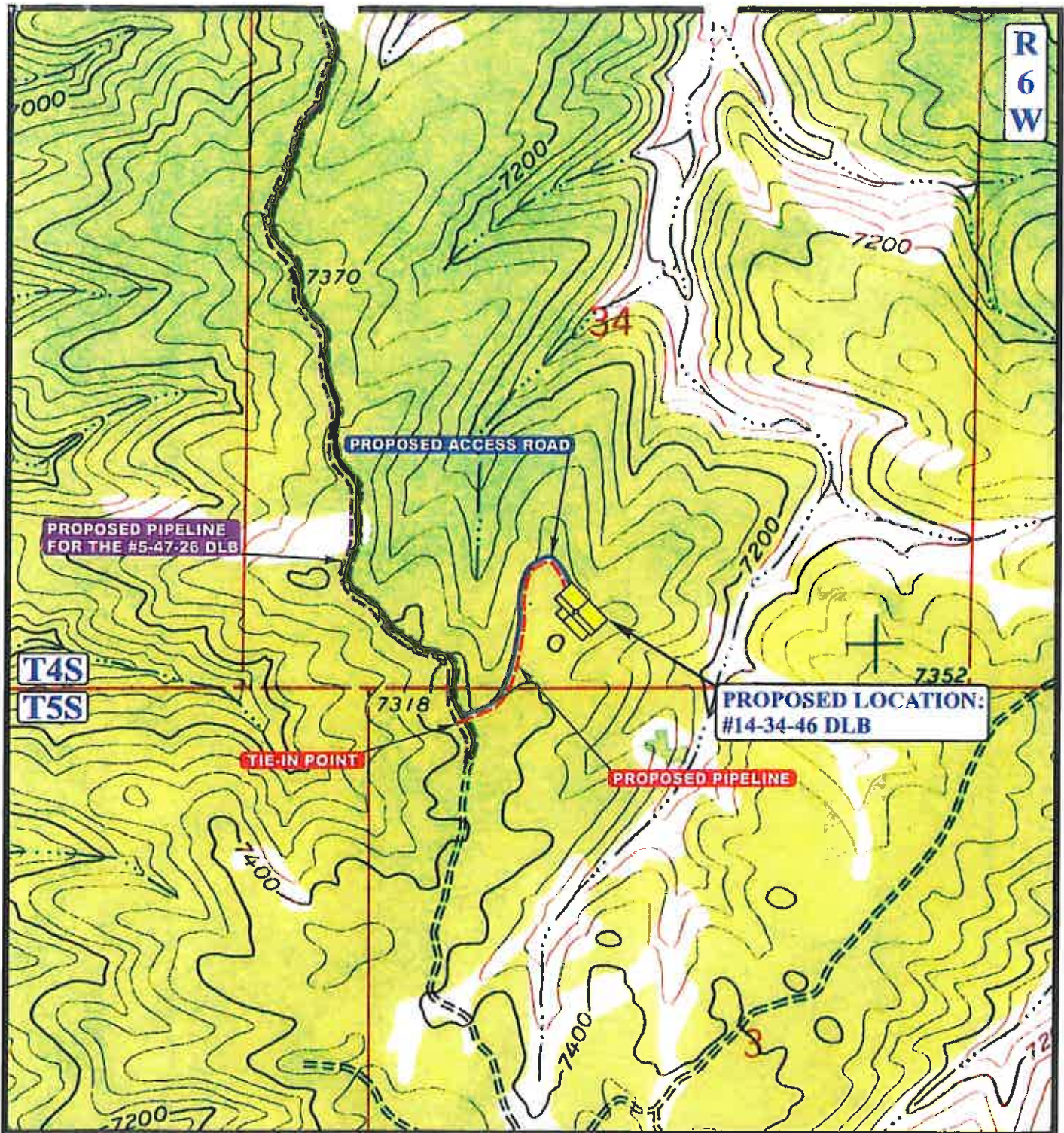




'APIWellNo:43013504570000'







**APPROXIMATE TOTAL PIPELINE DISTANCE = 1701' +/-**

**LEGEND:**

— PROPOSED ACCESS ROAD  
 - - - - - PROPOSED PIPELINE



**BILL BARRETT CORPORATION**

#14-34-46 DLB  
 SECTION 34, T4S, R6W, U.S.B.&M.  
 559' FSL 2404' FWL



Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
 MAP**

**04 30 07**  
 MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: A.A.

REVISED: 00-00-00

**D  
 TOPO**



# BILL BARRETT CORPORATION

**#14-34-46 DLB**

LOCATED IN DUCHESNE COUNTY, UTAH  
SECTION 34, T4S, R6W, U.S.B.&M.

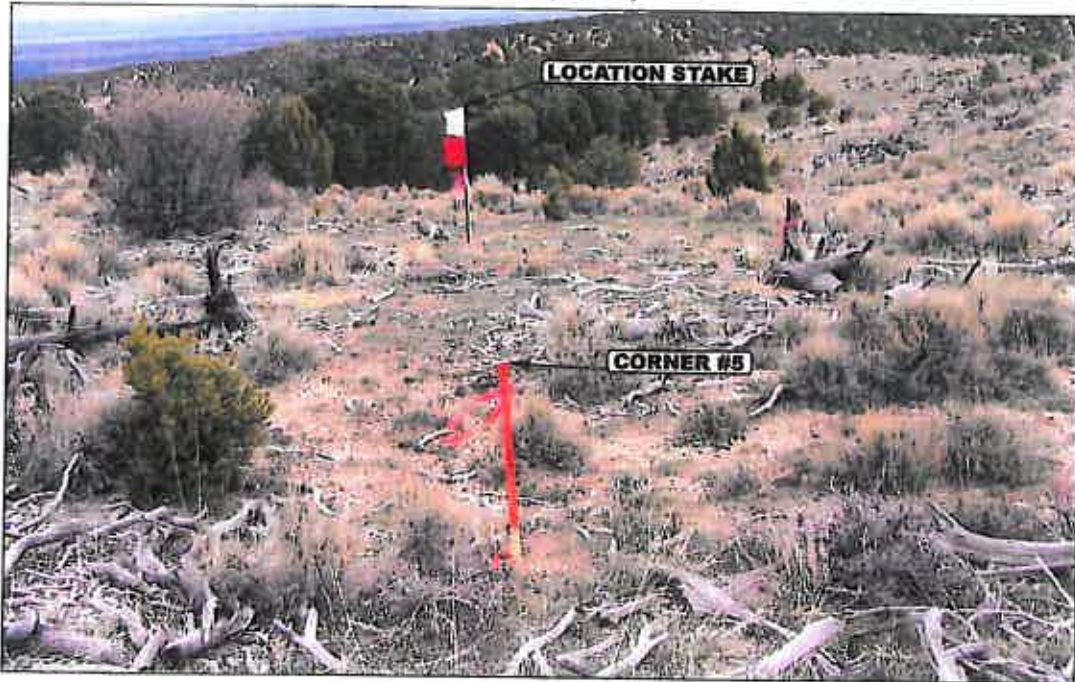


PHOTO: VIEW OF LOCATION STAKE FROM CORNER #5

CAMERA ANGLE: NORTHEASTERLY

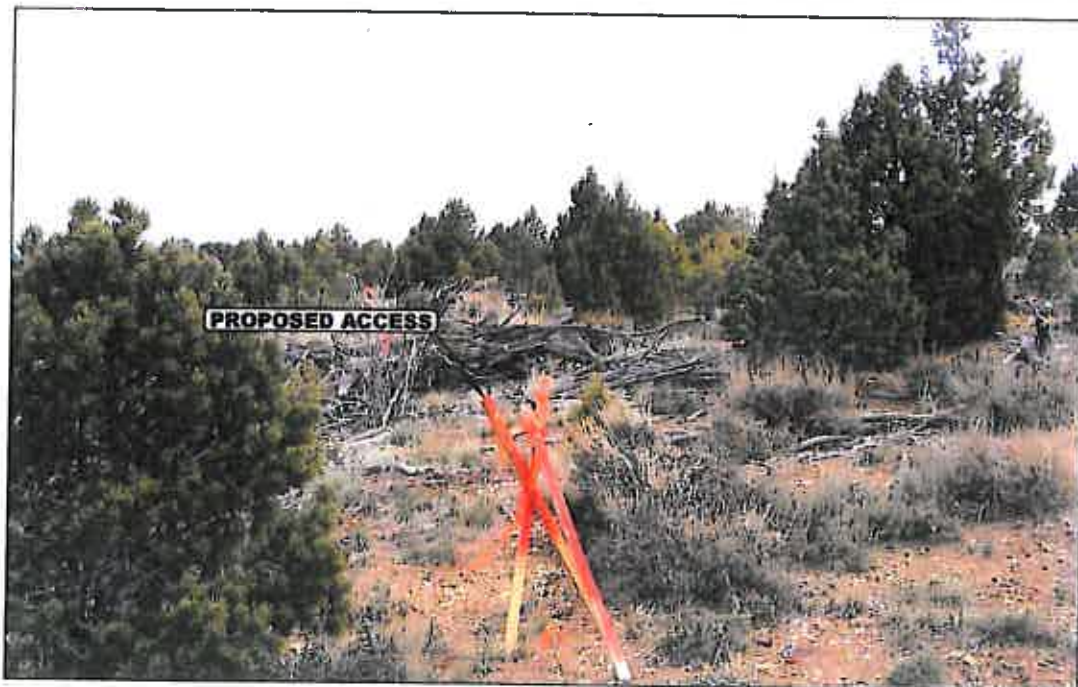


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**ELS**

Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**04 30 07**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: D.R.

DRAWN BY: A.A.

REVISED: 00-00-00



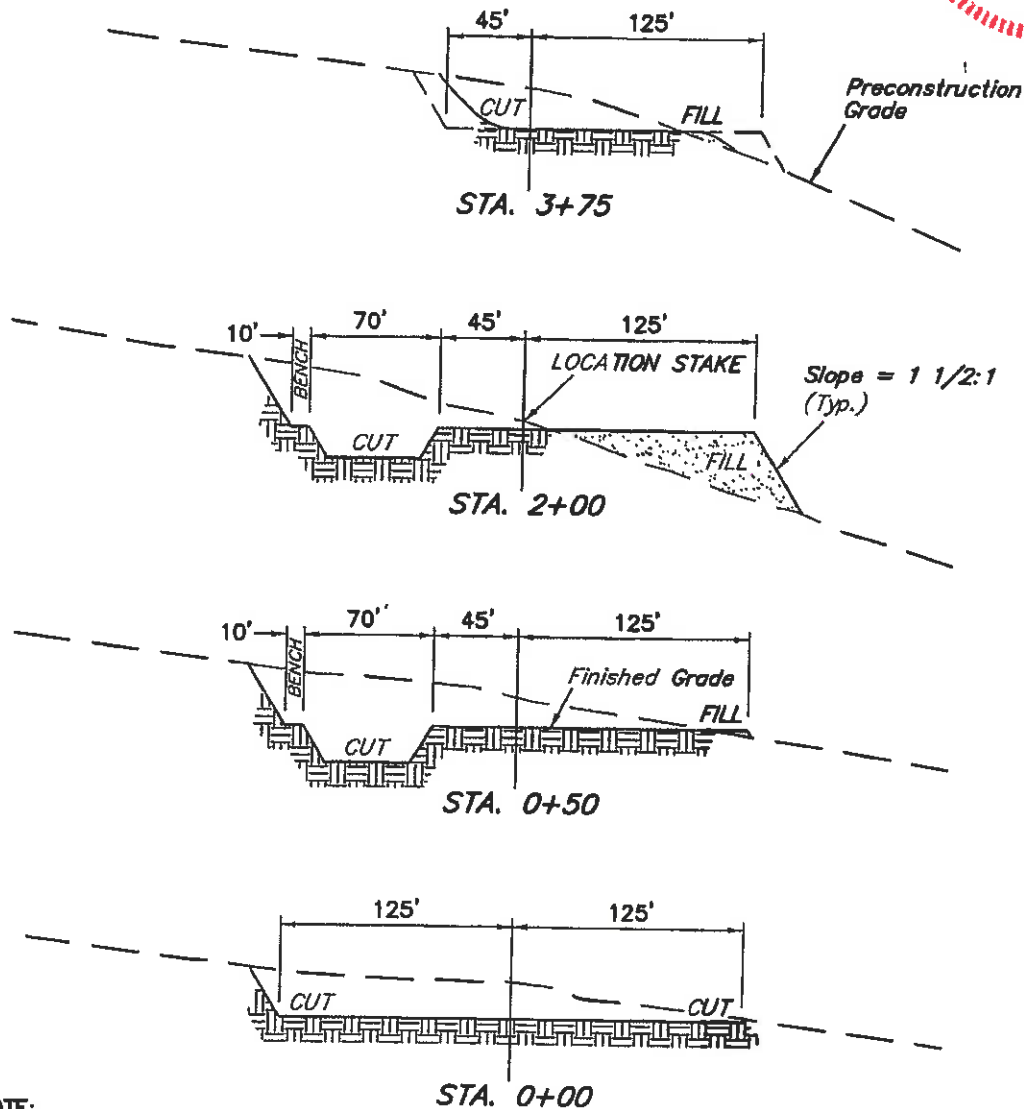
**BILL BARRETT CORPORATION**  
**TYPICAL CROSS SECTIONS FOR**

#14-34-46 DLB  
 SECTION 34, T4S, R6W, U.S.B.&M.  
 559' FSL 2404' FWL

**FIGURE #2**

1" = 40'  
 X-Section  
 Scale  
 1" = 100'

DATE: 04-21-07  
 DRAWN BY: P.M.



**NOTE:**

Topsoll should not be Stripped Below Finished Grade on Substructure Area.

**\* NOTE:**

FILL QUANTITY INCLUDES 5% FOR COMPACTION

**APPROXIMATE YARDAGES**

CUT  
 (6") Topsoll Stripping = 1,980 Cu. Yds.  
 Remaining Location = 19,240 Cu. Yds.  
 TOTAL CUT = 21,220 CU.YDS.  
 FILL = 6,430 CU.YDS.

EXCESS MATERIAL = 14,790 Cu. Yds.  
 Topsoll & Pit Backfill = 3,610 Cu. Yds.  
 (1/2 Pit Vol.)  
 EXCESS UNBALANCE = 11,180 Cu. Yds.  
 (After Interim Rehabilitation)

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

**Bill Barrett Corp**  
Duchesne County, UT (NAD 1927)  
Sec. 34-T4S-R6W  
#14-34-46 DLB

**Plan #1**

**Plan: Plan #1 Proposal**

# **Sperry Drilling Services**

## **Proposal Report**

**26 October, 2010**

Well Coordinates: 639,086.12 N, 2,266,013.33 E (40° 05' 02.70" N, 110° 32' 57.33" W)

Ground Level: 7,368.00 ft

Local Coordinate Origin:

Centered on Well #14-34-46 DLB

Viewing Datum:

KB @ 7383.00ft (Patterson 506)

TVDs to System:

N

North Reference:

True

Unit System:

API - US Survey Feet - Custom

Geodetic Scale Factor Applied

Version: 2003.16 Build: 431

**HALLIBURTON**



## Plan Report for #14-34-46 DLB - Plan #1 Proposal

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,063.00	0.00	0.00	2,063.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Green River</b>										
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>KOP - Begin 2.0°/100' Build at 2800.00ft</b>										
2,900.00	2.00	283.50	2,899.98	0.41	-1.70	1.75	2.00	2.00	0.00	283.50
3,000.00	4.00	283.50	2,999.84	1.63	-6.79	6.98	2.00	2.00	0.00	0.00
3,100.00	6.00	283.50	3,099.45	3.66	-15.26	15.69	2.00	2.00	0.00	0.00
3,200.00	8.00	283.50	3,198.70	6.51	-27.11	27.88	2.00	2.00	0.00	0.00
3,300.00	10.00	283.50	3,297.47	10.16	-42.32	43.52	2.00	2.00	0.00	0.00
3,400.00	12.00	283.50	3,395.62	14.61	-60.87	62.60	2.00	2.00	0.00	0.00
3,500.00	14.00	283.50	3,493.06	19.86	-82.75	85.10	2.00	2.00	0.00	0.00
3,592.37	15.85	283.50	3,582.31	25.41	-105.88	108.88	2.00	2.00	0.00	0.00
<b>End of Build at 3592.37ft</b>										
3,600.00	15.85	283.50	3,589.65	25.90	-107.90	110.97	0.00	0.00	0.00	0.00
3,700.00	15.85	283.50	3,685.84	32.27	-134.46	138.27	0.00	0.00	0.00	0.00
3,764.61	15.85	283.50	3,748.00	36.39	-151.61	155.92	0.00	0.00	0.00	0.00
<b>TGR3</b>										
3,800.00	15.85	283.50	3,782.04	38.64	-161.01	165.58	0.00	0.00	0.00	0.00
3,900.00	15.85	283.50	3,878.24	45.01	-187.56	192.89	0.00	0.00	0.00	0.00
<b>Hold Angle at 15.85°</b>										
4,000.00	15.85	283.50	3,974.44	51.39	-214.12	220.20	0.00	0.00	0.00	0.00
4,100.00	15.85	283.50	4,070.64	57.76	-240.67	247.51	0.00	0.00	0.00	0.00
4,200.00	15.85	283.50	4,166.84	64.13	-267.22	274.81	0.00	0.00	0.00	0.00
4,255.18	15.85	283.50	4,219.92	67.65	-281.88	289.88	0.00	0.00	0.00	0.00
<b>Begin 1.5°/100ft Drop to Vertical at 4255.18ft</b>										
4,300.00	15.18	283.50	4,263.11	70.45	-293.53	301.87	1.50	-1.50	0.00	180.00
4,400.00	13.68	283.50	4,359.96	76.26	-317.75	326.78	1.50	-1.50	0.00	180.00
4,500.00	12.18	283.50	4,457.42	81.48	-339.50	349.15	1.50	-1.50	0.00	180.00
4,587.34	10.86	283.50	4,543.00	85.55	-356.47	366.59	1.50	-1.50	0.00	180.00





## Plan Report for #14-34-46 DLB - Plan #1 Proposal

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
<b>Douglas Creek</b>										
4,600.00	10.68	283.50	4,555.44	86.10	-358.77	368.95	1.50	-1.50	0.00	-180.00
4,700.00	9.18	283.50	4,653.94	90.12	-375.53	386.19	1.50	-1.50	0.00	180.00
4,800.00	7.68	283.50	4,752.85	93.54	-389.77	400.84	1.50	-1.50	0.00	180.00
4,900.00	6.18	283.50	4,852.12	96.36	-401.50	412.90	1.50	-1.50	0.00	180.00
4,936.07	5.63	283.50	4,888.00	97.22	-405.10	416.61	1.50	-1.50	0.00	-180.00
<b>3Point Marker</b>										
5,000.00	4.68	283.50	4,951.67	98.56	-410.69	422.35	1.50	-1.50	0.00	180.00
5,100.00	3.18	283.50	5,051.43	100.16	-417.35	429.20	1.50	-1.50	0.00	180.00
5,200.00	1.68	283.50	5,151.34	101.15	-421.46	433.43	1.50	-1.50	0.00	180.00
5,300.00	0.18	283.50	5,251.32	101.53	-423.03	435.04	1.50	-1.50	0.00	180.00
5,311.68	0.00	0.00	5,263.00	101.53	-423.05	435.06	1.50	-1.50	0.00	180.00
<b>End of Drop at 5311.68ft - Black Shale</b>										
5,400.00	0.00	0.00	5,351.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,451.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
5,521.68	0.00	0.00	5,473.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>Castle Peak</b>										
5,600.00	0.00	0.00	5,551.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,651.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,751.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
5,841.68	0.00	0.00	5,793.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>Uteland Butte</b>										
5,881.68	0.00	0.00	5,833.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>CR1</b>										
5,900.00	0.00	0.00	5,851.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	5,951.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,066.68	0.00	0.00	6,018.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>Wasatch</b>										
6,100.00	0.00	0.00	6,051.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,161.68	0.00	0.00	6,113.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>CR2</b>										
6,200.00	0.00	0.00	6,151.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,300.00	0.00	0.00	6,251.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,316.68	0.00	0.00	6,268.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>CR3</b>										
6,400.00	0.00	0.00	6,351.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,500.00	0.00	0.00	6,451.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,600.00	0.00	0.00	6,551.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,631.68	0.00	0.00	6,583.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>CR4</b>										
6,700.00	0.00	0.00	6,651.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,800.00	0.00	0.00	6,751.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,900.00	0.00	0.00	6,851.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
6,906.68	0.00	0.00	6,858.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>CR4A</b>										
7,000.00	0.00	0.00	6,951.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
7,100.00	0.00	0.00	7,051.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
7,200.00	0.00	0.00	7,151.32	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
7,256.68	0.00	0.00	7,208.00	101.53	-423.05	435.06	0.00	0.00	0.00	0.00
<b>Total Depth at 7256.68ft</b>										

**Plan Report for #14-34-46 DLB - Plan #1 Proposal****Plan Annotations**

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
2,800.00	2,800.00	0.00	0.00	KOP - Begin 2.0°/100' Build at 2800.00ft
3,592.37	3,582.31	25.41	-105.88	End of Build at 3592.37ft
3,900.00	3,878.24	45.01	-187.56	Hold Angle at 15.85°
4,255.18	4,219.92	67.65	-281.88	Begin 1.5°/100ft Drop to Vertical at 4255.18ft
5,311.68	5,263.00	101.53	-423.05	End of Drop at 5311.68ft
7,256.68	7,208.00	101.53	-423.05	Total Depth at 7256.68ft

**Vertical Section Information**

Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/-S (ft)	Origin +E/-W (ft)	Start TVD (ft)
Target	14-34-46 DLB_Plan1_BHL Tgt	283.50	Slot	0.00	0.00	0.00

**Survey tool program**

From (ft)	To (ft)	Survey/Plan	Survey Tool
0.00	7,256.68	Plan #1 Proposal	MWD

**Formation Details**

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
2,063.00	2,063.00	Green River		0.00	
3,764.61	3,748.00	TGR3		0.00	
4,587.34	4,543.00	Douglas Creek		0.00	
4,936.07	4,888.00	3Point Marker		0.00	
5,311.68	5,263.00	Black Shale		0.00	
5,521.68	5,473.00	Castle Peak		0.00	
5,841.68	5,793.00	Uteland Butte		0.00	
5,881.68	5,833.00	CR1		0.00	
6,066.68	6,018.00	Wasatch		0.00	
6,161.68	6,113.00	CR2		0.00	
6,316.68	6,268.00	CR3		0.00	
6,631.68	6,583.00	CR4		0.00	
6,906.68	6,858.00	CR4A		0.00	

**Targets associated with this wellbore**

Target Name	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Shape
14-34-46 DLB_Plan1_Zone Tgt	5,263.00	101.53	-423.05	Circle
14-34-46 DLB_Plan1_BHL Tgt	7,208.00	101.53	-423.05	Point



**North Reference Sheet for Sec. 34-T4S-R6W - #14-34-46 DLB - Plan #1**

All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to True North Reference.

Vertical Depths are relative to KB @ 7383.00ft (Patterson 506). Northing and Easting are relative to #14-34-46 DLB

Coordinate System is US State Plane 1927 (Exact solution), Utah Central 4302 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Lambert Conformal Conic (2 parallel)

Central Meridian is -111.50°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:40° 39' 0.000 N°

False Easting: 2,000,000.00ft, False Northing: 0.00ft, Scale Reduction: 0.99990825

Grid Coordinates of Well: 639,086.12 ft N, 2,266,013.33 ft E

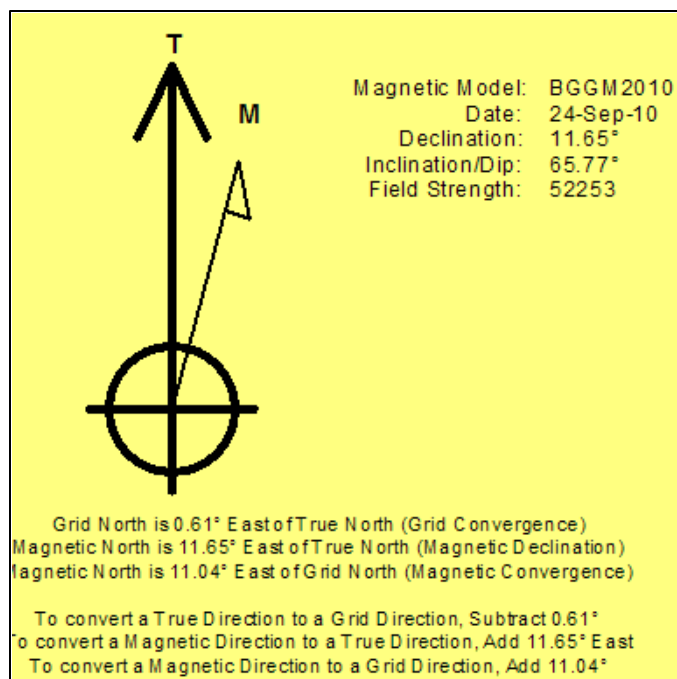
Geographical Coordinates of Well: 40° 05' 02.70" N, 110° 32' 57.33" W

Grid Convergence at Surface is: 0.61°

Based upon Minimum Curvature type calculations, at a Measured Depth of 7,256.68ft

the Bottom Hole Displacement is 435.06ft in the Direction of 283.50° (True).

Magnetic Convergence at surface is: -11.04° (24 September 2010, , BGGM2010)

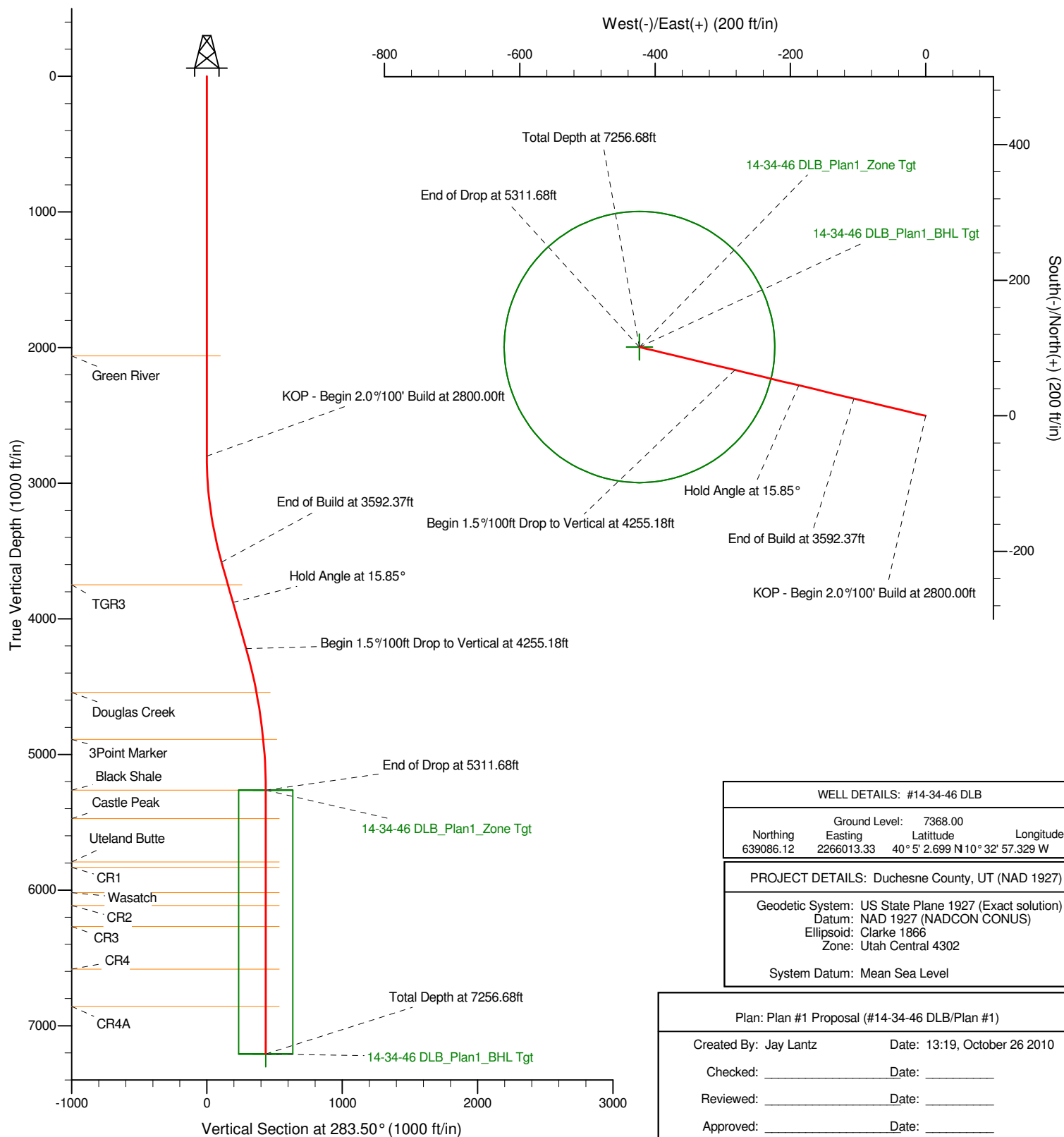


**HALLIBURTON**

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Sperry Drilling

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	2800.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	0.00	
3	3592.37	15.85	283.50	3582.30	25.41	-105.88	2.00	283.50	108.88	
4	4255.18	15.85	283.50	4219.93	67.65	-281.88	0.00	0.00	289.88	
5	5311.68	0.00	0.00	5263.00	101.53	-423.05	1.50	180.00	435.06	14-34-46 DLB_Plan1_Zone Tgt
6	7256.68	0.00	0.00	7208.00	101.53	-423.05	0.00	0.00	435.06	14-34-46 DLB_Plan1_BHL Tgt



EASEMENT LEASE AGREEMENT  
BILL BARRETT CORPORATION  
FOR WELLSITES #5-34-46 DLB, #14-34-46 DLB, #16-33-46 DLB  
and their Supporting Roads and Pipelines  
SKITZY UNIT OF INDIAN CANYON WILDLIFE MANAGEMENT AREA

UDWR Easement Lease No. DUC-1002EA-122

THIS NON-EXCLUSIVE EASEMENT LEASE AGREEMENT (“**Agreement**”) is made by and between the **Utah Division of Wildlife Resources** whose address is 1594 West North Temple, Suite 2110, Salt Lake City, Utah 84114-6301 (hereafter “**Surface Owner**”) and **Bill Barrett Corporation**, whose address is 1099 18th Street, Suite 2300, Denver, Colorado 80202 (hereafter “**BBC**”). Surface Owner and BBC are collectively referred to as “**the Parties**”. “**Easement Lease**” means the lease of an easement or right-of-way, for which the purpose, specific use, rights granted, location, term, fees, and other conditions are set forth herein.

EXHIBITS

A.1	Legal Descriptions of Wellsite, Access Road and Pipeline Centerlines for Wellsite #5-34-46 DLB
A.2	Depiction of #5-34-46 DLB Wellsite and Access Road
A.3	Depiction of Pipeline for #5-34-46 DLB Wellsite
B.1	Legal Descriptions of Wellsite, Access Road and Pipeline Centerlines for Wellsite #14-34-46 DLB
B.2	Depiction of #14-34-46 DLB Wellsite and Access Road
B.3	Depiction of Pipeline for #14-34-46 DLB Wellsite
C.1	Legal Descriptions of Wellsite, Access Road and Pipeline Centerlines for Wellsite #16-33-46 DLB
C.2	Depiction of #16-33-46 DLB Wellsite and Access Road
C.3	Depiction of Pipeline for #16-33-46 DLB Wellsite
D	Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development Project Area Duchesne County, Utah
E	Reclamation Bond Number LPM9002033
F	Cooperative Agreement, Mitigation Related to Oil and Gas Field Development on the Indian Canyon Wildlife Management Area

SECTION 1 GRANT AND LOCATION OF EASEMENT

**1.1 Burdened Property.** Surface Owner owns certain real property known to Surface Owner as the Indian Canyon Wildlife Management Area (“**WMA**”). Surface Owner represents that its purposes and uses of owning said WMA is to provide important habitat for wildlife, and to provide wildlife-based recreation for the general public. Surface Owner grants and conveys to BBC a nonexclusive easement lease (“**Easement**”) for three wellsites (“**Wellsites**” or “**Damage Areas**”) and pipelines and access roads associated with those wellsites. The legal descriptions of the road and pipeline centerlines, and of the wellsites, whichever the case may be, of the portions of the WMA to which BBC is hereby granted an Easement are set forth in Exhibits A.1, B.1, and C.1, said property hereafter referred to as “**Burdened Property**” and approximately depicted in Exhibits A.2, A.3, B.2, B.3, C.2 and C.3. BBC shall have a 50-foot wide easement, 25 feet on either side of the pipeline centerlines described respectively in Exhibits A.1, B.1, and C.1 during the construction of the respective pipelines, thereafter to be reduced to a 30-foot width, 15 feet

on either side of the respective centerlines. Access roads shall be of a width of 30 feet, 15 feet on either side of the centerline described in Exhibit A.1, B.1, and C.1.

- 1.2 Right of Third Parties.** This Easement is subject to all valid interests of third parties. Surface Owner claims title in fee simple, but does not warrant to BBC the validity of title to the Burdened Property. BBC shall have no claim for damages or refund against Surface Owner for any claimed failure or deficiency of Surface Owner's title to said lands, or for interference by any third party.
- 1.3 Surveys, Maps, and Plans.** In executing this Agreement, Surface Owner is relying upon the surveys, plats, diagrams, and/or legal descriptions provided by BBC. BBC is not relying upon, and Surface Owner is not making any representations about any surveys, plats, diagrams, and/or legal descriptions provided by Surface Owner.
- 1.4 Headings.** The Headings in this Agreement are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Easement nor the meaning of any of its provisions.

## SECTION 2 PURPOSE AND SCOPE OF EASEMENT

- 2.1 Purpose.** This Easement is granted for the purpose of ingress and egress for the construction, installation, operation, maintenance, repair, and replacement as necessary of drill pads, pipelines and access roads, subject to and in accordance with the restrictions and conditions set forth herein, in support of BBC's oil and gas operations on the Burdened Property, and for no other purpose. BBC agrees that it shall not remove from Surface Owner's property ordinary sand and gravel or wood products of any kind without the appropriate permit or other written authorization from Surface Owner. Any unauthorized use of the Burdened Property shall be considered a material breach of this Agreement.
- 2.2 Number and Kind of Infrastructure.** Under this Agreement, BBC shall have the right to construct, maintain and repair three (3) buried pipelines, not to exceed Twenty-Five (25) inches in diameter, per Wellsite, in the pipeline easement corridors described in Exhibit A.1, B.1, and C.1.

No other difference in the number, kind, or size of permanent structures to be constructed on the Burdened Property shall be allowed from that set forth in this Agreement, except production facilities, storage tanks, and such equipment deemed necessary by BBC for the production of the wells located on the Burdened Property, said production facilities, storage tanks, and such equipment to be located on the Damage Areas. Paving of any road is expressly prohibited.

- 2.3 Exclusivity.** It is expressly understood and agreed that the right herein granted is non-exclusive. Surface Owner hereby reserves the right to issue other non-exclusive easements, leases, or permits on or across the Burdened Property where such uses are appropriate and compatible; or dispose of the property by sale or exchange.
- 2.4 Permittees.** BBC may permit its respective employees, agents, contractors, licensees, herein individually referred to as "Permittee" and collectively referred to as "Permittees", to exercise the rights granted herein. Acts or omissions of the Permittees operating under this Easement shall be deemed an act of BBC.
- 2.5 Seasonal Restrictions.**

(a) BBC shall be allowed to engage in construction activities on the Burdened Property including and between the dates of ~~November 30~~ **December 1** to April 15 ("Seasonal Closure"), subject to the Cooperative Agreement set forth in Exhibit F. BBC shall have the right to enter the Burdened Property during Seasonal Closure for service, maintenance and repair of its production facilities and the wells to the extent that such service, maintenance and repair could not have reasonably been anticipated or could not reasonably be scheduled for dates outside Seasonal Closure.

(b) BBC shall have the right to enter the Burdened Property at any time for emergency activities to prevent environmental damage. BBC shall notify Surface Owner of such emergency activities in accordance with Section 5 of this Agreement.

(c) The Parties agree that, except for emergency activities described in Subsection 2.5(b), should activities for major construction or major maintenance or repair projects during Seasonal Closure be desired by BBC, the Parties shall consult in good faith to determine how such activities might be accomplished without undue harm to wildlife.

(d) The Parties agree that should extraordinary circumstances arise, including extraordinarily inclemental weather, during Seasonal Closure wherein activities permitted under this Agreement would result in significant harm or stress to or for wildlife, the Parties shall consult in good faith to determine how that significant harm or stress might be avoided.

(e) The Parties agree that should information pertaining to wildlife or vegetation become known to either one or both the Parties, and which would be useful in preventing harm to wildlife or vegetation, the Parties shall consult in good faith to determine how activities allowed under this Agreement might be modified, to the extent the Parties might agree at that time.

(f) As described in Section 5 of this Agreement, BBC shall notify Surface Owner of BBC's activities in some circumstances.

### SECTION 3 TERM AND RENEWAL

**3.1 Term Defined.** The term of this Easement is thirty (30) years ("Term"), commencing on the date of the last signature affixed to this Agreement, unless earlier terminated, subject to the terms and conditions set forth in this Agreement, and any valid and exiting rights.

**3.2 Renewal of the Easement.** BBC shall have the option to renew this Easement and BBC may exercise this option by providing written notice of its election to renew at any time within six (6) months but not later than (30) days prior to the Termination Date of the Initial Term of this Easement. BBC shall not be entitled to renew if it is in default under the terms of this Easement or other agreement with Surface Owner at the time the option to renew is exercised. The terms and conditions of any renewal Term shall be re-negotiated under the conditions, rules and laws in effect at the time of renewal. The Parties shall have sixty (60) days to come to agreement on the conditions and value of the easement after Surface Owner's receipt of BBC's notice of intent to renew. After the aforementioned six-month period, BBC's option to renew shall be null and void and the Easement shall terminate at the conclusion of this Agreement's Term.

### SECTION 4 RENT/ PAYMENTS

All payments are final. There shall be no pro-rata reimbursement of any payments hereunder should the Easement outlined under this Agreement terminate before its Term has lapsed.

**4.1 Rental Payment.** BBC shall pay a single use payment for the initial Term in the amount of **Twenty-two Thousand Four Hundred Twenty-seven and Sixty-one One Hundredths Dollars** (\$21,908.93 in Right-of-Way fees, plus \$518.68 in Administrative Cost Recovery). Payment is due when BBC returns this Agreement to Surface Owner appropriately signed and notarized. Surface Owner shall be entitled to additional compensation for any additional Use or User outside the scope of this Easement. Use or User shall not be construed to include affiliates or joint venturers of BBC so long as the Use or User remains within the scope of this Easement. For purposes of this Agreement,

(a) "affiliate" means any entity under common control with BBC, or under control of BBC. Control for purposes of this Agreement means 80% or more of the voting interests of the entity being held by the controlling entity.

(b) “joint venturer” means a party to an operating agreement, including pooled parties pursuant to state regulations, with respect to a wellsite or pipeline located on the Burdened Property.

**4.2 Administrative Costs.** In approving a request to apportion, assign, or transfer an interest in this Easement, Surface Owner shall be entitled to charge for administrative costs for approving the transfer.

**4.3 Non-Waiver.** Surface Owner's acceptance of a payment shall not be construed to be a waiver of any preceding or existing breach other than the failure to pay the particular payment that was accepted.

## SECTION 5 NOTIFICATION OF ACTIVITIES

**5.1** All notifications shall reference the Easement number and the location of BBC's activity. Notification of activities covered under this Section shall be deemed sufficient if made solely to Surface Owner's Northeastern Region Habitat Manager or Petroleum Biologist. The respective time periods required between notification and commencement of activities covered under this Section may be waived in writing, which may include email, by Surface Owner's Northeastern Region Supervisor, Habitat Manager or Petroleum Biologist.

**5.2** BBC shall notify Surface Owner:

(a) at least Twenty-Four (24) hours prior to any major repair contemplated in Subsection 2.5(a) of BBC's facilities during Seasonal Closure, if such repair requires the use of heavy equipment such as backhoes or other mechanized earth-moving equipment, heavy boom trucks, or cranes.

(b) within five (5) business days after the start of emergency activities during Seasonal Closure, said activities contemplated in Subsection 2.5(b).

**5.3** Regardless of Seasonal Closure restrictions, BBC shall notify Surface Owner at least three (3) days prior to excavation of any previously reclaimed site, except in cases where such excavation takes place as a result of emergency activities contemplated in Subsection 2.5(b), in which case notification shall take place within five (5) days after the start of emergency activities.

**5.4** Should future conditions be such that Surface Owner determines there is little wildlife-monitoring value facilitated by BBC's prior notification, the Parties may amend this Agreement and terminate the prior notification requirements of this Section, to the extent the Parties may mutually agree in writing at the time.

## SECTION 6 CONSTRUCTION, MAINTENANCE AND REPAIR OF EASEMENT AND IMPROVEMENTS AND TRADE FIXTURES

**6.1 BBC's Activities.** BBC shall conduct its construction, maintenance and repair operations in accordance with the Surface Use Plan attached as Exhibit D; however, should any provisions of the Surface Use Plan conflict with any provision set forth in the body of this Agreement, the provision in the body of this Agreement shall govern. BBC shall promptly repair, at its sole cost, all damages to the Burdened Property, and to any improvements, or natural resources such as soil or vegetation resources, thereon which are caused by BBC's activities. BBC shall take all reasonable precautions to protect the Burdened Property and any improvements thereon. Any damage to natural resources which are excessive or unnecessary shall be paid to Surface Owner at a price or cost determined by bids or estimates of the cost of repair. All work performed by BBC shall be completed in a careful and workman-like manner to Surface Owner's satisfaction, free of any claims or liens. Upon completion of any work performed by BBC, BBC shall remove all debris and restore the Burdened Property, as nearly as practicable, to the condition it was in prior to commencement of the work. BBC shall notify Surface Owner in writing within five (5) days after completion of work, to allow Surface Owner to inspect the work.

- 6.2 Waste.** BBC shall commit no waste on the Burdened Property and will make reasonable efforts to keep the property clean. BBC shall not cause any filling activity on the Burdened Property. This prohibition includes any deposit of rock, earth, ballast, refuse, garbage, waste matter (including chemical, biological or toxic wastes), hydrocarbons, any other pollutants, or other matter in or on the Burdened Property, except as provided under this Agreement or approved in writing by Surface Owner. Ordinary waste committed by third parties on the Burdened Property shall be removed by BBC, at BBC's cost. If BBC fails to comply with this Subsection, Surface Owner may take any steps reasonably necessary to remedy such failure, subject to the notice and right to cure provisions of Section 11. Upon demand by Surface Owner, BBC shall pay all costs of such remedial action, including, but not limited to the costs of removing and disposing of any material deposited improperly on the Burdened Property. This section shall not in any way limit BBC liability under Section 9, below.
- 6.3 Weed Control.** BBC shall monitor the Burdened Property for noxious weeds, and shall promptly eradicate, at BBC's own cost, all noxious weeds on the Burdened Property. BBC shall also control at its own cost any infestation that has spread beyond the boundaries of the Burdened Property if such infestation is reasonably deemed by Surface Owner to have originated on, and spread from, the Burdened Property as evidenced by weed colonization on the Burdened Property and patterns of weed colonization local to the Burdened Property. Such weed control shall comply with the Utah Noxious Weed Act, any Administrative Rules promulgated therefrom, and County noxious weed control programs. BBC shall consult with Surface Owner regarding BBC's control of noxious weeds on the Burdened Property. All methods of chemical weed control shall require prior review and approval of Surface Owner prior to BBC implementing said chemical control. No aerial spraying without prior approval by Surface Owner is permitted. All earth-moving equipment shall be thoroughly cleaned of soil and other materials that may harbor noxious weed seeds prior to being moved onto Surface Owner's property. If BBC fails to take action to control noxious weeds within five (5) days following notice from Surface Owner, Surface Owner may undertake control measures, and BBC shall reimburse Surface Owner upon demand for all costs incurred in implementing such measures. BBC will continue to be responsible for noxious weed control on the Burdened Property after termination of the Easement until Surface Owner is satisfied with the results and has in written notification released BBC from its weed control obligations, which notification shall not be unreasonably withheld.
- 6.4 Installation Specifications.** Where improvements are buried, they shall be buried at a minimum depth of three (3) feet below the surface of the Burdened Property. For installations within roadways, the improvements shall be buried at a minimum depth of three (3) feet below the road surface or three (3) feet below the bottom of the ditch, whichever applies. Surface Owner reserves the right to inspect the open trench during construction to ensure compliance with the installation specifications.
- 6.5 Pre-construction.** Forty-Eight (48) hours prior to commencement of the activities associated with installation of the facilities within the Easement granted herein, BBC shall notify Surface Owner's Appropriate Regional Habitat Manager to advise of the activities that will occur and an estimated time frame for said activities as depicted on the relevant Exhibit describing said construction on the Burdened Property. Thirty (30) days prior to any subsequent construction or reconstruction by BBC on the Burdened Property, BBC shall submit a written plan of construction to Surface Owner's Appropriate Regional Habitat Manager outlining the construction or activity for Surface Owner's approval. During the course of construction operations, or maintenance, BBC shall minimize soil erosion and damage to soil. BBC will not remove any timber or other valuable materials, including, but not limited to, those materials identified or sold as valuable materials, from the Burdened Property until BBC has received the appropriate permits or other written approval from Surface Owner to remove such valuable materials and has made provisions to compensate Surface Owner for the value of the valuable materials.
- 6.6 Road Maintenance.** Maintenance is defined as work normally necessary to preserve and keep the road in satisfactory and functional repair.

(a) BBC herein is responsible for maintaining any roads on Surface Owner's property used in conjunction with this Agreement; however, the cost of performance of road maintenance and resurfacing shall be allocated on the basis of respective users of said roads. Where one or more authorized party(ies) uses a road, or portion thereof, those parties shall perform or cause to be performed, or contribute or cause to be contributed, that share of maintenance and resurfacing occasioned by such use as hereinafter provided. During periods when a road is being used solely by one party, such party shall maintain that portion of said road so used to the standards equal to or better than those existing at the time use is commenced; provided Surface Owner reserves the right to make reasonable regulations concerning priority of use and maintenance of said roads by it and others.

(b) During periods when more than one party is using the same road, or any portion thereof, the parties hereto shall meet and establish necessary maintenance provisions. Such provisions shall include, but shall not be limited to:

(1) The appointment of a maintainer, which may be one of the Parties hereto or any third party, who will perform or cause to be performed at a reasonable and agreed upon rate the maintenance and resurfacing of the road or the portion thereof being used; and

(2) A method of payment by which each party using said road or a portion thereof, shall pay its pro rata share of the cost incurred by said maintainer in maintaining or surfacing said road or portion thereof.

**6.7 Road Repair.** BBC shall repair or cause to be repaired at its sole cost and expense that damage to roads used under this Easement in excess of that caused by normal and prudent usage of said roads. Should damage be caused by an unauthorized user, the cost of repair shall be treated as ordinary maintenance and handled as set forth above. BBC may add or replace gravel on road surfaces on the Burdened Property, but shall not pave any portion of the road without Surface Owner's written consent.

**6.8 Road Restoration.** If BBC fouls the surfacing by dragging earth from sides or other sources across the road and onto the surface portion of the road, BBC shall resurface that portion so affected at its sole cost and expense. Where the Easement crosses existing roads, BBC shall restore roads as near as practicable to their original condition, if any damage occurs to those roads during BBC's use of this Easement.

**6.9 Road Improvements.** Unless the Parties agree in writing to share the cost of improvements, improvements shall be at the sole expense of the improver.

**6.10 Road Relocation.** Surface Owner may request the relocation of a road in order to protect wildlife, soil, or vegetation resources or minimize damage thereto, so long as the new location does not unreasonably interfere with BBC's rights herein. The costs of such relocation shall be divided as negotiated and agreed by the Parties.

**6.11 Resource Damage.** BBC shall take all reasonable precautions to protect Surface Owner-owned crops and trees. BBC shall report to Surface Owner any visible resource damage, illegal dumping, or any other change in condition on the Burdened Property that is observed from BBC's observations of the Easement.

## SECTION 7 INTERFERENCE

BBC shall exercise its rights under this Agreement so as not to unreasonably interfere with Surface Owner's use of the Burdened Property or with the public's ability to use Surface Owner's lands for purposes of lawful recreation, except during periods of construction of BBC's facilities. Any improvements and trade fixtures constructed by BBC on the Burdened Property shall be placed and constructed so as to allow reasonably unobstructed movement over and across the Burdened Property.



## SECTION 8 COMPLIANCE WITH LAWS

BBC shall comply with all applicable laws, including all Surface Owner's rules and regulations, and state, county and municipal laws, ordinances, or regulations in effect. BBC shall obtain and be in possession of all permits and licenses required for the authorized use of the Easement and shall provide proof of such permits/licenses upon request by Surface Owner.

## SECTION 9 ENVIRONMENTAL LIABILITY/RISK ALLOCATION

- 9.1 Definition.** "Hazardous Substance" means any substance which now or in the future becomes regulated or defined under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to human health, environmental protection, contamination or cleanup, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. 9601 et seq.
- 9.2 Use of Hazardous Substances.** BBC covenants and agrees that Hazardous Substances will not be used, stored, generated, processed, transported, handled, released, or disposed of in, on, under, or above the Burdened Property, except in accordance with all applicable local, state, and federal laws.
- 9.3 Current Conditions, Duty of Utmost Care, and Duty to Investigate.**
- (a) Surface Owner makes no representation about the condition of the Burdened Property. Hazardous Substances may exist in, on, under, or above the Burdened Property.
- (b) Lessee shall exercise the utmost care with respect to both Hazardous Substances in, on, under, or above the Burdened Property, and any Hazardous Substances that come to be located in, on, under or above the Burdened Property during the Term of this agreement, along with the reasonably foreseeable acts or omissions of third parties affecting those Hazardous Substances, and the reasonably foreseeable consequences of those acts or omissions. The obligation to exercise utmost care under this Subsection 9.3 includes, but is not limited to, the following requirements:
- (1) Lessee shall not undertake activities that will cause, contribute to, or exacerbate contamination of the Burdened Property;
  - (2) Lessee shall not undertake activities that damage or interfere with the operation of remedial or restoration activities on the Burdened Property;
  - (3) Lessee shall not undertake any activities that result in the mechanical or chemical disturbance of Burdened Property habitat mitigation, except as reasonably necessary for Lessee's use and occupancy of the Burdened Property, and in such instances will notify Surface Owner prior to undertaking such activities; and
  - (4) Lessee shall allow access to the Burdened Property by employees and authorized agents of the Environmental Protection Agency, the State of Utah or other similar environmental agencies.
- (c) It shall be Lessee's obligation to gather sufficient information to its satisfaction concerning the Burdened Property and the existence, scope and location of any Hazardous Substances on the Burdened Property, or on adjoining property (to the extent reasonably discoverable or ascertainable), as required for Lessee to effectively meet its obligations to comply with all applicable laws regarding such Hazardous Substances.

#### 9.4 Notification and Reporting.

(a) BBC shall immediately notify Surface Owner if BBC becomes aware of any of the following:

- (1) A release or threatened release of Hazardous Substances in, on, under or above the Burdened Property, any adjoining property, or any other property subject to use by BBC in conjunction with its use of the Burdened Property;
- (2) Any actual or alleged violation of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances with respect to the Burdened Property, any adjoining property, or any other property subject to use by BBC in conjunction with its use of the Burdened Property, in the event BBC observes or is notified of such violations;
- (3) Any lien or action with respect to any of the foregoing; or,
- (4) Any notification from the U.S. Environmental Protection Agency (EPA) or the State of Utah that remediation or removal of Hazardous Substances is or may be required at the Burdened Property.

(b) BBC shall, at Surface Owner's request, provide Surface Owner with copies of all reports, studies, or audits which pertain to the Burdened Property, and which are or were prepared by or for BBC and submitted to any federal, State, or local authorities as required by any federal, State, or local permit, license, or law. These reports or permits may include, but are not limited to, any National or State Pollution Discharge Elimination System Permit, any Army Corps of Engineers permit, any Hydraulics Project Approval or any Water Quality Certification.

**9.5 Indemnification.** BBC shall fully indemnify, defend, and hold Surface Owner, its director, managers, employees and agents harmless from and against any and all claims, demands, damages, damages to natural resources such as soil, water, vegetation, and wildlife, response costs, remedial costs, cleanup costs, losses, liens, liabilities, penalties, fines, lawsuits, other proceedings, costs, and expenses (including attorney's fees and disbursements), that arise out of or are in any way related to:

(a) The use, storage, generation, processing, transportation, handling, or disposal of any Hazardous Substance by BBC, its contractors, agents, employees, guests, invitees, or affiliates in, on, under, or above the Burdened Property, any adjoining property, or any other property subject to use by BBC in conjunction with its use of the Burdened Property, during the term of this Easement or during any time when BBC occupies or occupied the Property.

(b) The release or threatened release of any Hazardous Substance in, on, under, or above the Burdened Property, any adjoining property, or any other property subject to use by BBC in conjunction with its use of the Burdened Property, which release or threatened release occurs or occurred during the term of this Easement or during any time when BBC occupies or occupied the Burdened Property or any such other property and as a result of:

- (1) Any act or omission of BBC, its sub-lessees, contractors, agents, employees, guests, invitees, or affiliates; or,
- (2) Any reasonably foreseeable act or omission of a third party unless BBC exercised the utmost care with respect to the reasonably foreseeable acts or omissions of the third party and the reasonably foreseeable consequences of those acts or omissions: or

(c) A breach of the obligations of Subsection 9.3, above, by BBC, its sub-lessees, contractors, agents, employees, guests, invitees, or affiliates.

**9.6 Cleanup.** If a release of Hazardous Substances occurs in, on, under, or above the Burdened Property or other Surface Owner-owned property arising out of any action, inaction, or event described or referred to in Subsection 9.5 above, BBC shall, at its sole expense, promptly take all actions necessary or advisable to clean up the Hazardous Substances. Cleanup actions shall include, without limitation, resource restoration, mitigation, removal, containment and remedial actions and shall be performed in accordance with all applicable laws, rules, ordinances, and permits. BBC's obligation to undertake a cleanup of the Burdened Property under this Subsection 9.6 shall be limited to those instances where the Hazardous Substances exist in amounts that exceed the threshold limits of any applicable federal, state and local regulatory cleanup standards, or where it is determined that there will be continuing damages to natural resources in the absence of a cleanup action. BBC shall also be solely responsible for all cleanup, administrative, and enforcement costs of governmental agencies, including natural resource damage claims arising out of any action, inaction, or event described or referred to in Subsection 9.5, above. BBC may take reasonable and appropriate actions without advance approval in emergency situations.

**9.7 Sampling by Surface Owner, Reimbursement, and Split Samples.**

(a) Surface Owner may conduct sampling, tests, audits, surveys or investigations ("Tests") of the Burdened Property at any time to determine the existence, scope, or effects of Hazardous Substances on the Burdened Property, any adjoining property, or any other property subject to use by BBC in conjunction with its use of the Burdened Property. If such Tests indicate the existence, release or threatened release of Hazardous Substances arising out of any action, inaction, or event described or referred to in Subsection 9.5, above, BBC shall promptly reimburse Surface Owner for all costs associated with such Tests.

(b) Surface Owner's ability to seek reimbursement for any Tests under this Subsection shall be conditioned upon Surface Owner providing BBC written notice of its intent to conduct any Tests at least thirty (30) calendar days prior to undertaking such Tests, unless such Tests are performed in response to an emergency situation in which case Surface Owner shall only be required to give such notice as is reasonably practical.

(c) BBC shall be entitled to split samples of any Test samples obtained by Surface Owner. The additional cost of any split samples shall be borne solely by BBC. Any additional costs Surface Owner incurs by virtue of BBC's split sampling shall be reimbursed to Surface Owner within thirty (30) calendar days after a bill for such costs is sent to BBC.

**9.8 Contamination Investigation.**

(a) If Surface Owner has reason to believe that a release or threatened release of Hazardous Substances has occurred on the Burdened Property during BBC's occupancy, Surface Owner may require BBC to conduct a Closeout Environmental Assessment (Closeout Assessment) by providing BBC with written notice of this requirement no later than ninety (90) calendar days prior to the Easement termination date, or within ninety (90) days of any valid notice to terminate the easement earlier than originally agreed. The purpose of the Closeout Assessment shall be to determine the existence, scope, or effects of any Hazardous Substances on the Burdened Property and any associated natural resources. If the initial results of the Closeout Assessment disclose the existence of Hazardous Substances that may have migrated to other property, Surface Owner may require additional Closeout Assessment work to determine the existence, scope, and effect of any Hazardous Substances on adjoining property, any other property subject to use by BBC in conjunction with its use of the Burdened Property, or on any associated natural resources. The Closeout Assessment may include Sediment Sampling as well as any additional testing requirements Surface Owner may require based on changes in scientific, statutory, or regulatory standards for information concerning the activities of BBC, its contractors, agents, employees, guests, invitees, or affiliates.

(b) Prior to undertaking the Closeout Assessment, BBC shall submit a proposed plan in writing for Surface Owner's approval. The plan shall be provided to Surface Owner

within thirty (30) days of Surface Owner's notice requiring the Closeout Assessment. If Surface Owner fails to respond in writing, either approving or disapproving of the proposed plan, within thirty (30) days of its receipt, the proposed plan shall be deemed approved. BBC shall be responsible for all costs required to complete planning, sampling, analyzing, and reporting associated with the Closeout Assessment.

**9.9 Reservation of Rights.** The Parties have agreed to allocate certain environmental liabilities by the terms of Section 9. With respect to those environmental liabilities covered by the indemnification provisions of Subsection 9.5, that subsection shall exclusively govern the allocation of those liabilities. With respect to any environmental liabilities not covered by Subsection 9.5, the Parties expressly reserve and do not waive or relinquish any rights, claims, immunities, causes of action or defenses relating to the presence, release, or threatened release of Hazardous Substances in, on, under or above the Burdened Property, any adjoining property or any other property subject to use by BBC in conjunction with its use of the Burdened Property that either Party may have against the other under federal, state or local laws, including but not limited to, CERLCA, MTCA, and the common law. No right, claim, immunity, or defense either party may have against third parties is affected by this Easement and the Parties expressly reserve all such rights, claims, immunities, and defenses. The allocations of risks, liabilities, and responsibilities set forth above do not release BBC from or affect BBC's liability for claims or actions by federal, state, or local regulatory agencies concerning Hazardous Substances.

**9.10 Impacts to Wildlife.** BBC, its employees, contractors, successors and assigns shall make reasonable and good faith efforts to protect any legally protected wildlife to the best of their knowledge and ability. BBC shall report to Surface Owner any harm, threats to harm or harass any legally protected wildlife should BBC become aware of such harm or threats to harm or harass legally protected wildlife in the ordinary course of its operations on the Burdened Property.

## SECTION 10 PRESERVATION OF SURVEY CORNERS

BBC shall exercise reasonable care to ensure that all legal land subdivision survey corners and witness objects are preserved. If any survey corners or witness objects are destroyed or disturbed by BBC, BBC shall reestablish them by a registered professional engineer or licensed land surveyor in accordance with US General Land Office standards, at BBC's own expense. Corners and/or witness objects that must necessarily be disturbed or destroyed in the process of construction of improvements and trade fixtures must be adequately referenced and/or replaced in accordance with all applicable laws and regulations in force at the time. The references must be approved by Surface Owner prior to removal of the survey corners and/or witness objects.

## SECTION 11 TERMINATION OF EASEMENT

**11.1 Termination for Cause.** This Easement shall terminate if BBC receives notice from Surface Owner that BBC is in material breach of this Easement and BBC fails to cure that breach within ninety (90) days of Surface Owner's notice, or such longer period as may be required under the circumstances as approved by Surface Owner. If the breaching party fails to correct such breach or fails to diligently undertake efforts to cure such breach within such period, Surface Owner may terminate this Easement without further notice; provided, however, such termination shall not release the breaching party from liability for damage prior to such termination. In addition to terminating this Easement, Surface Owner shall have any other remedy available to it. Surface Owner's failure to exercise its right to terminate at any time shall not waive Surface Owner's right to terminate for any future breach.

**11.2 Termination for Non-Use.**

(a) BBC shall submit to Surface Owner a summary report of BBC's use of the Easement within thirty (30) days of the first anniversary of this Agreement, and an annual report thereafter, along with a fee of One Hundred Dollars (\$100) for Surface Owner's administration of this Easement; Surface Owner reserves the right to recoup from BBC

additional reasonable administrative costs if Surface Owner's costs are significantly in excess of One Hundred Dollars (\$100).

(b) Any portion of the Easement that is determined to be unused or abandoned pursuant to this paragraph shall terminate. BBC shall upon request of Surface Owner execute a release of interest in the portion abandoned under the provisions of this Section. Under the non-use clause, BBC shall be responsible for surface reclamation and restoration of the Burdened Property in accordance with Section 12 of this Agreement. Any portion of this Easement that is so described by the following conditions shall be deemed to be unused and abandoned:

(1) Within 365 days of the date of execution of this Agreement, BBC fails to commence construction and installation of the infrastructure authorized under this Easement, unless otherwise waived by Surface Owner in writing;

(2) Within two (2) years of the date of execution of this Agreement, BBC does not obtain production of oil or gas from BBC's oil and gas interests which relate to the Burdened Property, unless otherwise waived by Surface Owner in writing; or

(3) If after establishing production, BBC suspends production or operations for the drilling or reworking of a well on BBC's oil and gas interests for a period longer than thirty-six (36) consecutive months, unless otherwise waived by Surface Owner in writing.

**11.3 Voluntary Termination.** This Easement may also terminate as to all or part of the Burdened Property if BBC has satisfied its outstanding obligations as to the part to be relinquished, provides Surface Owner with sixty (60) days written notice of its intent to terminate, and executes a release of interest to the portion terminated in recordable form. BBC shall not be entitled to a refund for any relinquishment.

**11.4 BBC's Obligations.** BBC obligations not fully performed upon termination shall continue until fully performed.

## SECTION 12. RECLAMATION

**12.1 Timing.** As soon as practicable, following the construction of improvements and trade fixtures, or termination of the Easement, all disturbed land, other than access road driving surfaces for those portions of the Easement not terminated, will be recontoured to the approximate natural contours.

**12.2 Soil.** During construction of wellsites, access roads, and pipelines, any and all topsoil moved or removed will be stockpiled and preserved for present and future project area restoration. Soil from the right of way shall not enter any live stream or open water.

**12.3 Revegetation.** BBC will re-establish a successful vegetation cover by reseeding with a seed mixture of shrubs, forbs, and grasses, as specified by Surface Owner. BBC will not be released from this obligation until Surface Owner has inspected the site for two (2) years following construction and reclamation, and has made a determination that the re-vegetation is successful, or such time thereafter until re-vegetation has become successful.

**12.4 Unauthorized Travel.** In consultation with Surface Owner, BBC will undertake reasonable measures, including the placement of signage, cattle guards, trenches, barrier rock or other obstacles, to restrict unauthorized motorized travel, including that of third parties, on or across the Burdened Property. If such measures are not effective in controlling unauthorized motorized travel, BBC will consult with Surface Owner on additional measures that may be required to restrict such unauthorized motorized travel on the Burdened Property.

**12.5 Failure to Reclaim.** Surface Owner shall have the right, subject to at least sixty (60) days prior notice and a right to cure, to use funds from BBC's surety bond to complete reclamation or restoration if BBC fails to do so.

## SECTION 13 OWNERSHIP AND REMOVAL OF IMPROVEMENTS, TRADE FIXTURES, AND EQUIPMENT

- 13.1 Improvements.** No BBC -Owned improvements, other than appurtenances for the rights herein granted, shall be placed on the Burdened Property without Surface Owner's prior written consent.
- 13.2 Ownership of Improvements and Trade Fixtures.** Except as provided herein, BBC shall retain ownership of all improvements and trade fixtures it may place on the Burdened Property (collectively "BBC Owned Improvements"). BBC-Owned Improvements shall not include any construction, reconstruction, alteration, or addition to any Unauthorized Improvements as defined in Subsection 13.5 below.
- 13.3 Construction.** Issuance of this Easement shall constitute authorization to undertake the initial construction work specified in that agreement without the need for further notice. Subsequent alterations, significant repairs, or new construction shall require advance notice to Surface Owner as contemplated in Section 5.
- 13.4 Removal.** BBC-Owned improvements and trade fixtures that have been installed above or below ground shall be removed by BBC by the Termination Date unless Surface Owner notifies BBC in writing that such may remain. If Surface Owner elects to have such above ground improvements remain on the Burdened Property after the Termination Date, they shall become the property of Surface Owner without payment by Surface Owner. If BBC wishes to leave improvements on the Burdened Property upon expiration of the Easement, BBC shall notify Surface Owner of such intent at least one hundred eighty (180) days before the Termination Date. Surface Owner shall then have ninety (90) days in which to notify BBC whether Surface Owner elects to have the improvements removed or to have them remain. Failure to notify BBC shall be deemed an election by Surface Owner for the improvements to be removed from the Burdened Property. If the improvements remain on the Burdened Property after the Termination Date without Surface Owner's actual or deemed consent, Surface Owner may remove them at BBC's expense. Surface Owner may require BBC to abandon improvements and/or trade fixtures, rather than remove them. Such abandonment shall be undertaken in accordance with a plan approved by Surface Owner. Abandonment of buried facilities should be performed in accordance with the appropriate regulations and any applicable permits. Should Surface Owner elect to allow any part of BBC's improvements or trade fixtures to remain affixed to the Burdened Property, BBC shall make a diligent and good-faith effort to clean the improvements or trade fixtures using the best industry practices and technologies available at the time, as directed by Surface Owner, in order to minimize as much as reasonably practical, environmental contaminants left on or in the Burdened Property.
- 13.5 Unauthorized Improvements.** Improvements made on the Burdened Property without Surface Owner's prior written consent are not authorized ("Unauthorized Improvements"). Surface Owner may, at its option, require BBC to sever, remove, and dispose of them or allow them to remain upon amendment of this Agreement, at which time all provisions of this Agreement shall apply to the Unauthorized Improvements unless otherwise explicitly stated in the amendment. If BBC fails to remove an Unauthorized Improvement within sixty (60) days of notification by Surface Owner, Surface Owner may remove the Unauthorized Improvements and charge BBC for the cost of removal and disposal.

## SECTION 14 INDEMNITY

BBC agrees to protect, indemnify, save and hold harmless Surface Owner, its agents and employees, from and against all claims, demands, damages, and causes of action of every kind or character on account of bodily injuries, death, or damage to property arising because of, for, out of, or in any way connected with the performance of BBC under this Agreement, except where such injury, death, or damage has resulted from the sole negligence of Surface Owner without negligence or willful act on the part of BBC, its agents, employees, or subcontractors. BBC shall defend all suits brought upon such

claims and pay all costs and expenses incidental thereto, but Surface Owner shall have the right, at its option, to participate in the defense incidental thereto without relieving BBC of any obligation hereunder. BBC's liability to Surface Owner for hazardous substances, and its obligation to indemnify, defend, and hold Surface Owner harmless for hazardous substances, shall be governed exclusively by Section 9.

### SECTION 15 FINANCIAL SECURITY

- 15.1 Bonding.** At its own expense, BBC shall procure and maintain a non-cancellable corporate surety bond or provide other financial security satisfactory to Surface Owner (the "Bond") in an amount equal to Four Hundred Seventeen Thousand Three Hundred Fifty Dollars (\$417,350.00), said amount equivalent to One-Hundred and Fifty (150%) of the estimated construction costs of the authorized improvements less materials, said estimated costs represented by BBC, to be placed on or in the Burdened Property, which shall secure BBC's full performance of its obligations under this Agreement. The amount of this bond shall not be deemed to limit any liability of BBC. The Bond shall be in a form and issued by a surety company acceptable to Surface Owner. BBC shall maintain the Bond so long as it uses the Easement. The Bond shall be in effect even if BBC has conveyed all or part of the easement interest to a sublessee, assignee, or subsequent operator until BBC fully satisfies its obligations, or until the Bond is replaced with a new bond posted by the sublessee assignee or subsequent operator. Said Bond at the date of execution of this Agreement is issued by Fidelity and Deposit Company of Maryland and is identified as Bond Number LPM9002033 (see Exhibit E).
- 15.2 Bond Increase.** BBC agrees that, for the causes stipulated below, at any time during the term of this Easement, Surface Owner may require that the amount of an existing Bond be increased in a sum described below, said Bond to be conditioned upon full compliance with all terms and conditions of this Agreement and the rules relating hereto.
- (a) **Inflation.** Surface Owner has the option of requiring the value of the Bond to be adjusted to compensate for inflationary pressures on the dollar. The amount of adjustment shall be determined through the use of the Bureau of Labor Statistics Western Region Urban Consumer Price Index ("Western Region CPI-U"). Said adjustments shall reference the year 2007 Western Region CPI-U, and shall be directly proportional to the percent change in Western Region CPI-U between the year 2007 and the year preceding the date of adjustment.
- (b) **Additional Improvements.** Surface Owner has the option of requiring increases in the Bond value for additional improvements authorized under amendments to this Agreement, the increases to be in an amount equivalent to 150% of the estimated costs of construction of said improvements, less materials.
- 15.3 Default.** Upon any default by BBC in its obligations under this Agreement, Surface Owner may collect on the Bond to offset the liability of BBC to Surface Owner, subject to the notice and right to cure provisions in Sections 11 and 12 herein. Collection on the Bond shall not relieve BBC of liability, shall not limit any of Surface Owner's other remedies, and shall not rein Surface Owner or cure the default or prevent termination of the Easement because of the default. Should the cost of BBC's obligations exceed the value of the Bond, BBC, its successors and assigns, shall be liable for the costs over and above the bonded amount.

### SECTION 16 TAXES AND ASSESSMENTS

BBC shall promptly pay all taxes, assessments and other governmental charges of any kind whatsoever levied as a result of this Easement or relating to BBC's improvements and trade fixtures constructed pursuant to this Easement.

### SECTION 17 ADVANCES BY SURFACE OWNER

If Surface Owner advances or pays any costs or expenses for or on behalf of BBC, including, but not limited to taxes, assessments, insurance premiums, costs of removal and disposal of unauthorized materials, costs of removal and disposal of improvements

and trade fixtures, or other amounts not paid when due, BBC shall reimburse Surface Owner the amount paid and shall pay interest on such amount at the rate of one percent (1%) per month from the date Surface Owner notifies BBC of the advance or payment.

### SECTION 18 NOTICE

Except as provided in Section 5 of this Agreement, any notices required or permitted under this Agreement shall be in writing and personally delivered or mailed by certified mail, return receipt requested, to the following addresses or to such other places as the parties may direct in writing from time to time:

**Surface Owner**

Habitat Section  
Utah Division of Wildlife Resources  
1594 West North Temple, Suite 2110  
Salt Lake City, Utah 84114-6301  
801-538-4712

AND

Habitat Section  
Utah Division of Wildlife Resources  
152 East 100 North, Suite 9  
Vernal, Utah 84078  
435-781-5357

**BBC**

Bill Barrett Corporation  
Attn: Huntington T. Walker  
Sr. Vice President - Land  
1099 18th Street, Suite 2300  
Denver, Colorado 80202

A notice shall be deemed given and delivered upon personal delivery, upon receipt of a confirmation report if delivered by facsimile machine, or three (3) days after being mailed as set forth above, whichever is applicable.

### SECTION 19 RESERVATIONS

Surface Owner, its successors and assigns, reserves all ownership of the Burdened Property and profits thereon, and the right of use for any and all purposes that do not unreasonably interfere with the rights granted herein, including the right to keep the Burdened Property open for public use for recreation; the right to remove profits from the Burdened Property; the right at all times to cross and recross the Burdened Property at any place on grade or otherwise; and the right to use the Easement for access to and from the lands owned by Surface Owner on both sides of the Easement. Surface Owner may grant to third parties any and all rights reserved. Once BBC clears or removes any vegetation on the Burdened Property as provided in this Agreement, vegetation that is subsequently grown in such cleared areas shall belong to Surface Owner.

### SECTION 20 CULTURAL RESOURCES

It is hereby understood and agreed that all treasure-trove, all articles of antiquity, and critical paleontological resources in or upon the Burdened Property or adjacent lands belonging to Surface Owner are and shall remain the property of Surface Owner. BBC agrees that all costs associated with archeological and paleontological investigations on the Burdened Property that may be required by Surface Owner will be borne by BBC. BBC further agrees to cease all activity on the subject lands and immediately notify Surface Owner if any discovery of human remains or a "site" or "specimen," as defined in Section 9-8-302 or 63-73-1 Utah Code Annotated (1953), as amended, is made on the Burdened Property, and continue to cease all construction or maintenance therein until



such time as the human remains, “site” or “specimen” in question has been treated to the satisfaction of Surface Owner.

## SECTION 21 ASSIGNMENT

- 21.1 Consent of Surface Owner.** BBC shall not hypothecate, mortgage, assign, transfer or otherwise alienate this Easement, or any interest therein, without the prior written consent of Surface Owner, which shall not be unreasonably withheld. In no case shall such consent operate to relieve BBC of the responsibilities or liabilities assumed by BBC hereunder, or be given unless such party is acceptable to Surface Owner and assumes in writing all of the obligations of BBC under the terms of this Agreement as to the balance of the term thereof, or acquires the rights in trust as security and subject to conditions such as Surface Owner deems necessary. A sublease, conveyance, or assignment must be a sufficient legal instrument, properly executed and acknowledged, and should clearly set forth the easement lease contract number, lands involved, and the name and address of the assignee, and shall include any agreement which transfers control of the Easement to a third party. A copy of the documents subleasing, conveying, or assigning the interest shall be given to Surface Owner prior to Surface Owner’s approval or denial of the assignment.
- 21.2 Assignee.** Any assignment shall be in keeping with the purposes of this Easement and may only be made to a party qualified to do business in the State of Utah, and which has authority to operate the said facilities, and which is not in default under the laws of the State of Utah relative to qualification to do business within the State, and is not in default on any previous obligation to Surface Owner.
- 21.3 Costs of Assignment.** A sublease, conveyance, or assignment may not be approved without reimbursement of Surface Owner’s administrative costs associated with said sublease, conveyance, or assignment; and payment of the difference between what was originally paid for the permit, lease, or contract and what the division would charge for the permit, lease, or contract at the time the application for sublease, conveyance, or assignment is submitted.
- 21.4 Effective Date of Assignment.** A sublease, conveyance, or assignment shall take effect on the date of Surface Owner’s approval of the assignment. On the effective date of any assignment, the assignee is bound by the terms of the lease to the same extent as if the assignee were the original grantee, any conditions in the assignment to the contrary notwithstanding.
- 21.5 Non-Waiver.** The consent of Surface Owner to any one assignment shall not constitute a waiver of Surface Owner’s right to consent to subsequent assignments, nor shall consent of Surface Owner to any one assignment relieve any party previously liable as BBC from any obligations under this Agreement. The acceptance by Surface Owner of the payment of rent following an assignment shall not constitute consent to any assignment and Surface Owner’s consent shall be evidenced only in writing.

## SECTION 22 SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns and shall be a covenant running with the land.

## SECTION 23 TIME IS OF THE ESSENCE

TIME IS OF THE ESSENCE as to each and every provision of this Agreement.

## SECTION 24 RECORDATION

BBC shall record this Agreement or a memorandum documenting the existence and legal description of this Agreement in the counties in which the Burdened Property is located, at BBC's sole expense. The memorandum shall, at a minimum, contain the Burdened Property description, the names of the parties to the Agreement, Surface Owner's easement number, and the duration of the Easement. BBC shall provide Surface Owner a

copy of the public recording, whether this Agreement or the memorandum serving notice of the existence of this Agreement. BBC shall have ninety (90) days from the date of delivery of the final executed Agreement to comply with the requirements of this Section.

## **SECTION 25 APPLICABLE LAW AND VENUE**

This Agreement shall be interpreted and construed in accordance with and shall be subject to the laws of the State of Utah. Any reference to a statute shall mean that statute as presently enacted or hereafter amended or superseded. BBC consents to suit in the courts of the State of Utah in any dispute arising under the terms of this Agreement or as a result of operations carried on under this Agreement. Service of process in any such action is hereby agreed to be sufficient if sent by registered mail to BBC at the last known address of BBC appearing in the records of Surface Owner. BBC agrees for itself and its successors and assigns that any suit brought by BBC, its successors or assigns concerning this Agreement may be maintained only in the Utah State District Court of Salt Lake County. In the event of any litigation arising under this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred in connection with the litigation, including any appeals.

## **SECTION 26 MODIFICATION**

Any modification of this Agreement must be in writing and signed by the parties. Surface Owner or BBC shall not be bound by any oral representations of Surface Owner or BBC. If Surface Owner is the Utah Division of Wildlife Resources, authorized signatures may be provided by only the Director or the Director's designee.

## **SECTION 27 SURVIVAL**

Any obligations, which are not fully performed upon termination of this Easement, shall not cease, but shall continue as obligations until fully performed.

## **SECTION 28 WAIVER**

No Waiver of Conditions by Surface Owner of any default of BBC or failure of Surface Owner to timely enforce any provision of this Agreement shall constitute a waiver of or constitute a bar to subsequent enforcement of the same or other provisions of this Agreement. No provision in this Agreement shall be construed to prevent Surface Owner from exercising any legal or equitable remedy it may have.

## **SECTION 29 WATER RIGHTS**

BBC shall not file an application to appropriate water from the surface or subsurface of Surface Owner's lands unless the application is approved by Surface Owner in writing and is filed in the name of the Surface Owner. All water structures, including impoundment, diversion and conveyance structures or works, used to impound, divert or convey water claimed solely under a Surface Owner water right shall be the property of Surface Owner.

## **SECTION 30 INVALIDITY**

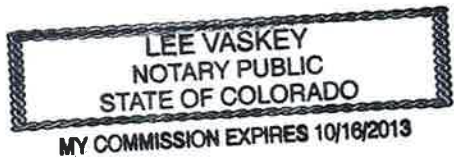
If any provision of this Agreement proves to be invalid, void, or illegal, it shall in no way affect, impair, or invalidate any other provision of this Agreement.

'APIWellNo:43013504570000'

My commission expires 3-17-2012

STATE OF COLORADO )  
CITY AND ) SS.  
COUNTY OF DENVER )

On this 21<sup>st</sup> day of July, 2010, personally appeared before me Huntington T. Walker to me known to be the Sr. Vice President - Land of Bill Barrett Corporation and executed the within and foregoing instrument, and acknowledged that the execution of the document herein was his free and voluntary act and deed, for the uses and purposes therein mentioned, and gave an oath that he is authorized to execute the within instrument for said corporation.



[Signature]

Notary Public for the State of Colorado

Residing at Denver, CO

My commission expires \_\_\_\_\_

**Exhibit A.1**

**Legal Descriptions of Wellsite (Damage Area), and Access Road and Pipeline Centerlines for Wellsite #5-34-46 DLB**

**Legal Description of Wellsite #5-34-46 DLB**

**DAMAGE AREA DESCRIPTION**

BEGINNING AT A POINT IN THE SW 1/4 NW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M. WHICH BEARS N33°15'02"E 890.43' FROM THE WEST 1/4 CORNER OF SAID SECTION 34, THENCE N19°09'02"W 104.12'; THENCE N70°50'58"E 425.00'; THENCE S19°09'02"E 320.00'; THENCE S70°50'58"W 260.00'; THENCE N77°55'55"W 192.94'; THENCE N19°09'02"W 115.88' TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 2.933 ACRES MORE OR LESS.

**Legal Description of Access Road Centerline for Wellsite #5-34-46 DLB**

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SW 1/4 NW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M. WHICH BEARS N12°39'35"E 786.25' FROM THE WEST 1/4 CORNER OF SAID SECTION 34, THENCE S85°46'55"E 83.93'; THENCE S86°16'25"E 156.63'; THENCE S85°23'13"E 76.16' TO A POINT IN THE SW 1/4 NW 1/4 OF SAID SECTION 34 WHICH BEARS N33°15'02"E 890.43' FROM THE WEST 1/4 CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.218 ACRES MORE OR LESS.

**Legal Description of Pipeline Centerline for Wellsite #5-34-46 DLB**

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SW 1/4 NW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M. WHICH BEARS N34°35'04"E 874.99' FROM THE WEST 1/4 CORNER OF SAID SECTION 34, THENCE N87°08'54"W 88.06'; THENCE N85°36'52"W 160.76'; THENCE N85°54'15"W 112.36' TO A POINT IN THE SW 1/4 NW 1/4 OF SAID SECTION 34 WHICH BEARS N10°22'12"E 757.44' FROM THE WEST 1/4 CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.249 ACRES MORE OR LESS.

Exhibit A.2  
Depiction of #5-34-46 DLB Wellsite and Access Road

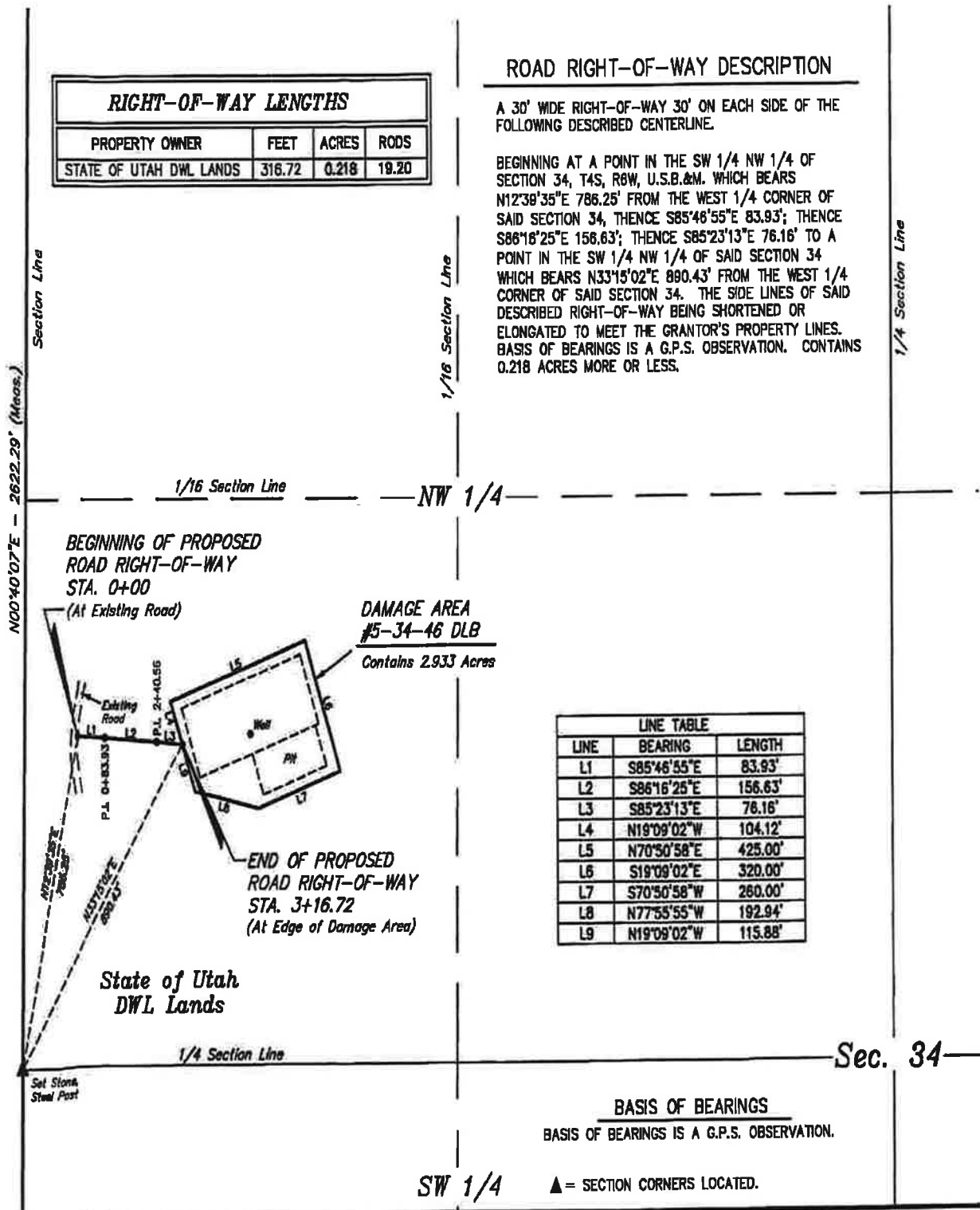
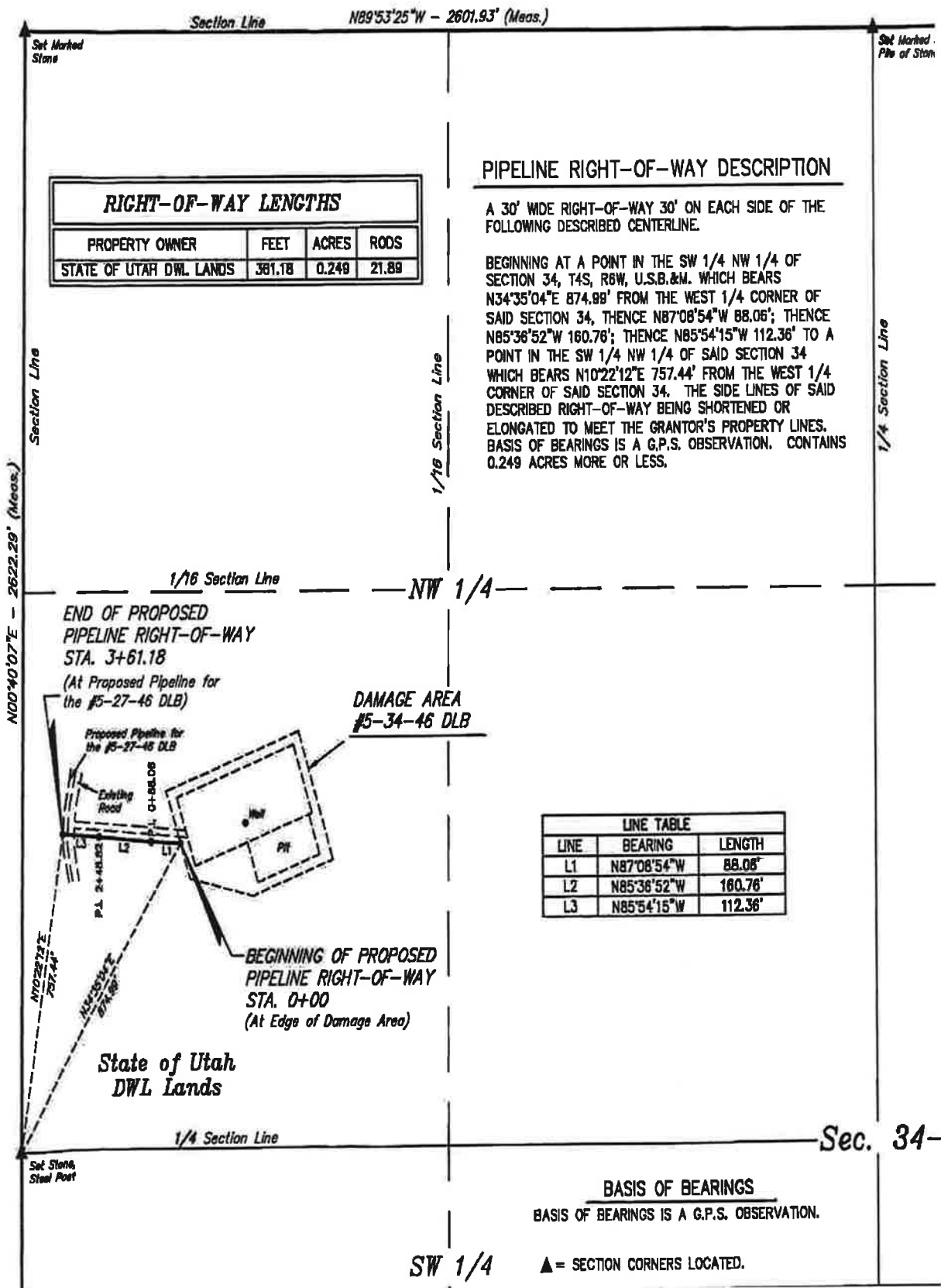




Exhibit A.3  
Depiction of Pipeline for #5-34-46 DLB Wellsite



**Exhibit B.1**  
**Legal Descriptions of Wellsite (Damage Area) and Access Road and Pipeline**  
**Centerlines for**  
**Wellsite #14-34-46 DLB**

**Legal Description of Wellsite #14-34-46 DLB**

**DAMAGE AREA DESCRIPTION**

BEGINNING AT A POINT IN THE SE 1/4 SW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M., WHICH BEARS N19°54'36"W 828.27' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 34, THENCE N45°58'41"E 41.61'; THENCE S44°01'19"E 425.00'; THENCE S45°58'41"W 290.00'; THENCE N44°01'19"W 335.00'; THENCE N06°08'49"W 114.02'; THENCE N45°58'41"E 178.39' TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 2.757 ACRES MORE OR LESS.

**Legal Description of Access Road Centerline for Wellsite #14-34-46 DLB**

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

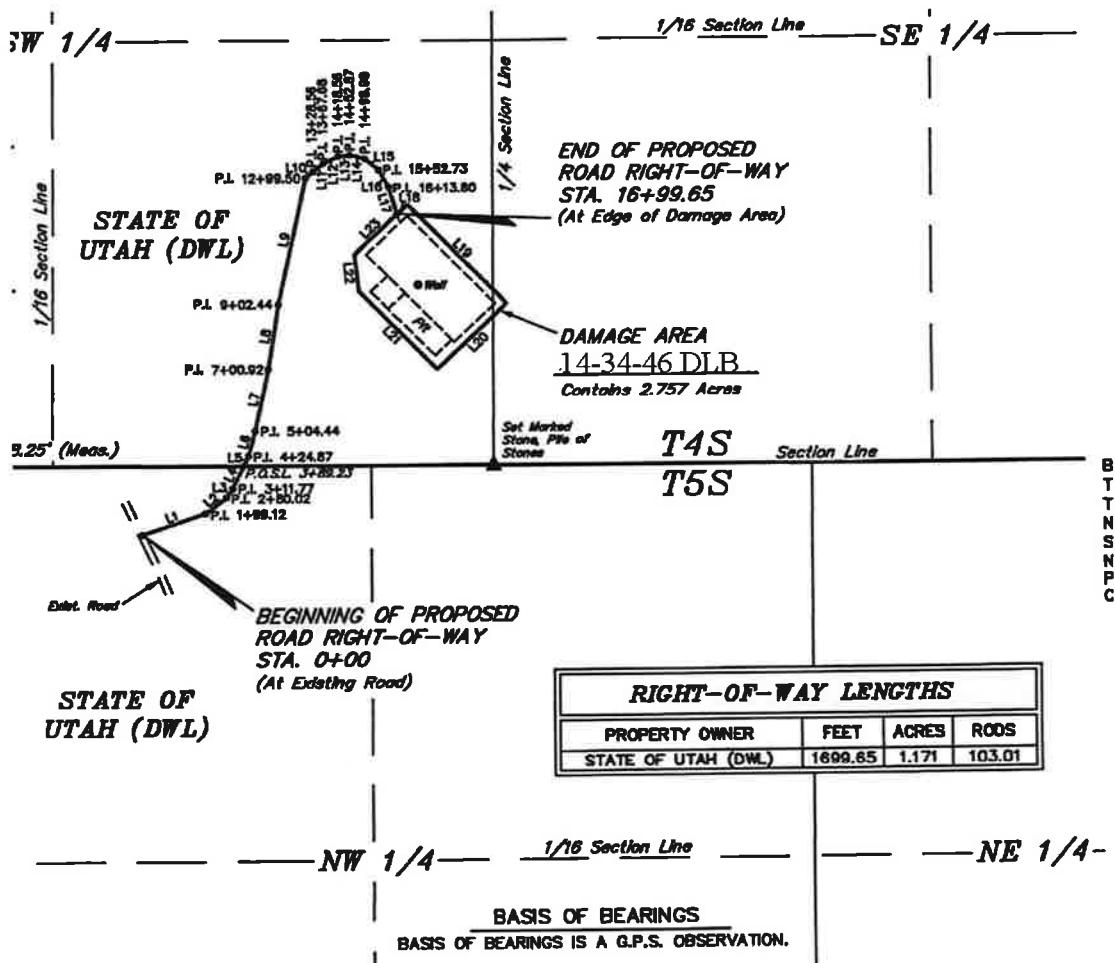
BEGINNING AT A POINT IN THE NW 1/4 NW 1/4 OF SECTION 3, T5S, R6W, U.S.B.&M., WHICH BEARS S78°36'27"W 1067.74' FROM THE SOUTH 1/4 CORNER OF SECTION 34, T4S, R6W, U.S.B.&M., THENCE N70°43'55"E 199.12'; THENCE N51°22'59"E 80.90'; THENCE N34°54'23"E 31.75'; THENCE N25°21'27"E 77.46' TO A POINT ON THE NORTH LINE OF THE NW 1/4 NW 1/4 OF SAID SECTION 3, WHICH BEARS N89°53'53"W 744.18' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 34, THENCE N25°21'27"E 35.64'; THENCE N14°46'37"E 79.57'; THENCE N11°42'31"E 196.48'; THENCE N08°52'51"E 201.52'; THENCE N12°12'59"E 397.06'; THENCE N48°35'20"E 29.06'; THENCE N50°27'31"E 39.12'; THENCE N63°19'12"E 50.88'; THENCE N83°27'37"E 34.31'; THENCE S75°32'32"E 46.11'; THENCE S48°46'26"E 53.75'; THENCE S29°50'22"E 60.87'; THENCE S16°39'49"E 86.05' TO A POINT IN THE SE 1/4 SW 1/4 OF SAID SECTION 34, WHICH BEARS N19°54'36"W 828.27' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.171 ACRES MORE OR LESS.

**Legal Description of Pipeline Centerline for Wellsite #14-34-46 DLB**

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

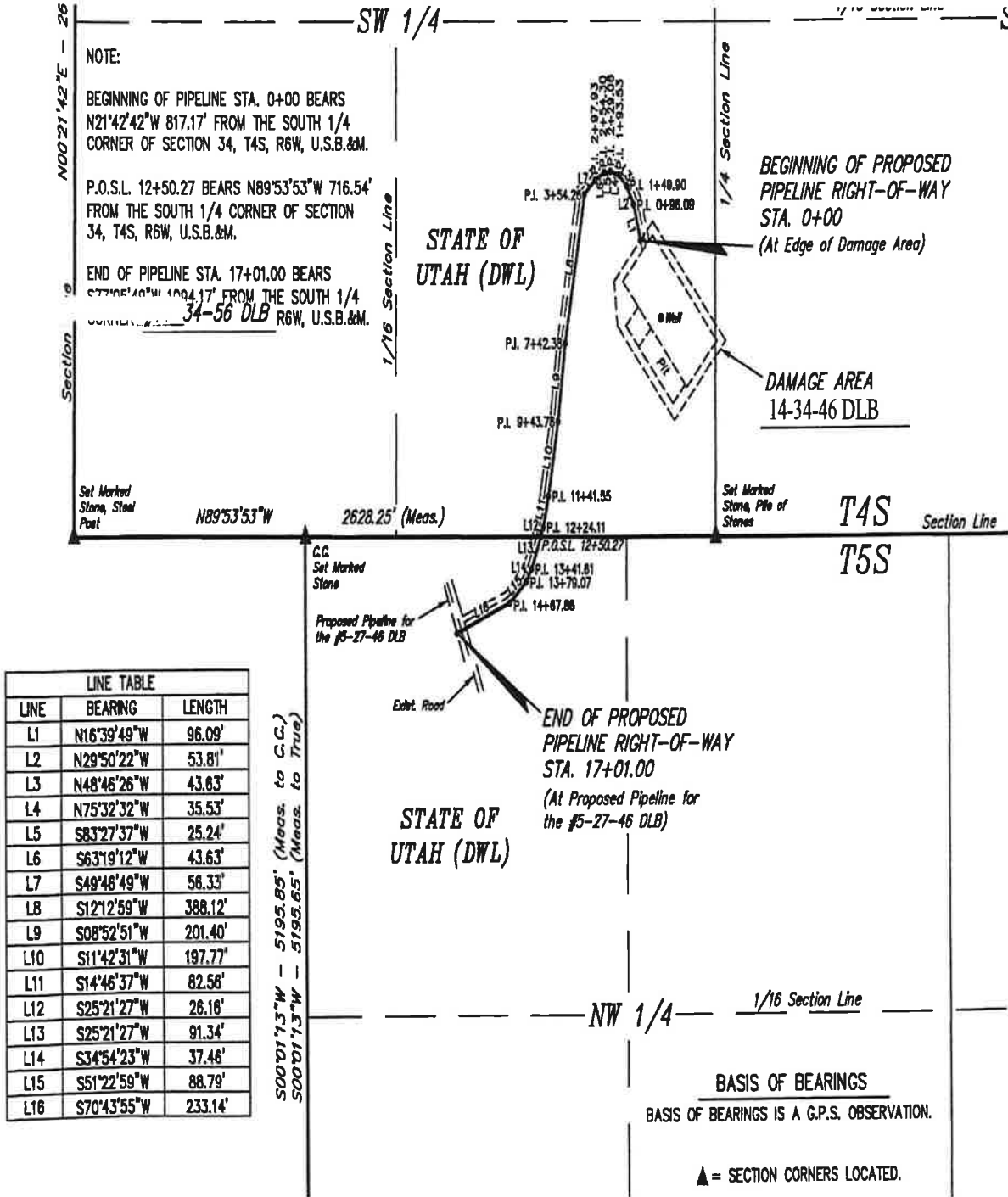
BEGINNING AT A POINT IN THE SE 1/4 SW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M., WHICH BEARS N21°42'42"W 817.17' FROM THE SOUTH 1/4 CORNER OF SECTION 34, T4S, R6W, U.S.B.&M., THENCE N16°39'49"W 96.09'; THENCE N29°50'22"W 53.81'; THENCE N48°46'26"W 43.63'; THENCE N75°32'32"W 35.53'; THENCE S83°27'37"W 25.24'; THENCE S63°19'12"W 43.63'; THENCE S49°46'49"W 56.33'; THENCE S12°12'59"W 388.12'; THENCE S08°52'51"W 201.40'; THENCE S11°42'31"W 197.77'; THENCE S14°46'37"W 82.56'; THENCE S25°21'27"W 26.16' TO A POINT ON THE SOUTH LINE OF THE SE 1/4 SW 1/4 OF SAID SECTION 34, WHICH BEARS N89°53'53"W 716.54' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 34, THENCE S25°21'27"W 91.34'; THENCE S34°54'23"W 37.46'; THENCE S51°22'59"W 88.79'; THENCE S70°43'55"W 233.14' TO A POINT IN THE NW 1/4 NW 1/4 OF SECTION 3, T5S, R6W, U.S.B.&M., WHICH BEARS S77°05'49"W 1094.17' FROM THE SOUTH 1/4 CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.171 ACRES MORE OR LESS.

Exhibit B.2  
Depiction of #14-34-46 DLB Wellsite and Access Road



LINE TABLE		
LINE	BEARING	LENGTH
L1	N70°43'55"E	199.12'
L2	N51°22'59"E	80.90'
L3	N34°54'23"E	31.75'
L4	N25°21'27"E	77.46'
L5	N25°21'27"E	35.64'
L6	N14°46'37"E	79.57'
L7	N11°42'31"E	196.48'
L8	N08°52'51"E	201.52'
L9	N12°12'59"E	397.06'
L10	N48°35'20"E	29.06'
L11	N50°27'31"E	39.12'
L12	N63°19'12"E	50.88'
L13	N83°27'37"E	34.31'
L14	S75°32'32"E	46.11'
L15	S48°46'26"E	53.75'
L16	S29°50'22"E	60.87'
L17	S16°39'49"E	86.05'
L18	N45°58'41"E	41.61'
L19	S44°01'19"E	425.00'
L20	S45°58'41"W	290.00'
L21	N44°01'19"W	335.00'
L22	N06°08'49"W	114.02'
L23	N45°58'41"E	178.39'

Exhibit B.3  
Depiction of Pipeline for #14-34-46 DLB Wellsite



RIGHT-OF-WAY LENGTHS			
PROPERTY OWNER	FEET	ACRES	RODS
STATE OF UTAH (DWL)	1701.00	1.171	103.09

## Exhibit C.1

## Legal Descriptions of Wellsite (Damage Area) and Access Road and Pipeline Centerlines for Wellsite #16-33-46 DLB

## Legal Description of Wellsite #16-33-46 DLB

DAMAGE AREA DESCRIPTION

BEGINNING AT A POINT IN THE SW 1/4 SW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M., WHICH BEARS N30°13'38"E 1236.95' FROM THE SOUTHWEST CORNER OF SAID SECTION 34, THENCE S41°59'29"E 159.64'; THENCE S48°00'31"W 335.00'; THENCE S85°53'01"W 114.02'; THENCE N41°59'29"W 220.00'; THENCE N48°00'31"E 425.00'; THENCE S41°59'29"E 130.36' TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 2.757 ACRES MORE OR LESS.

## Legal Description of Access Road Centerline for Wellsite #16-33-46 DLB

ROAD RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SW 1/4 SW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M., WHICH BEARS N37°37'36"E 1339.53' FROM THE SOUTHWEST CORNER OF SAID SECTION 34, THENCE N85°15'46"W 65.33'; THENCE N83°22'53"W 49.68'; THENCE S89°29'17"W 65.60'; THENCE S79°53'51"W 15.27' TO A POINT IN THE SW 1/4 SW 1/4 OF SAID SECTION 34, WHICH BEARS N30°13'38"E 1236.95' FROM THE SOUTHWEST CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.135 ACRES MORE OR LESS.

## Legal Description of Pipeline Centerline for Wellsite #16-33-46 DLB

PIPELINE RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SW 1/4 SW 1/4 OF SECTION 34, T4S, R6W, U.S.B.&M., WHICH BEARS N31°21'46"E 1229.38' FROM THE SOUTHWEST CORNER OF SAID SECTION 34, THENCE S88°03'42"E 62.22'; THENCE S81°36'29"E 51.16'; THENCE S86°50'46"E 38.96' TO A POINT IN THE SW 1/4 SW 1/4 OF SAID SECTION 34, WHICH BEARS N37°19'36"E 1305.39' FROM THE SOUTHWEST CORNER OF SAID SECTION 34. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.105 ACRES MORE OR LESS.



Exhibit C.2  
Depiction of #16-33-46 DLB Wellsite and Access Road

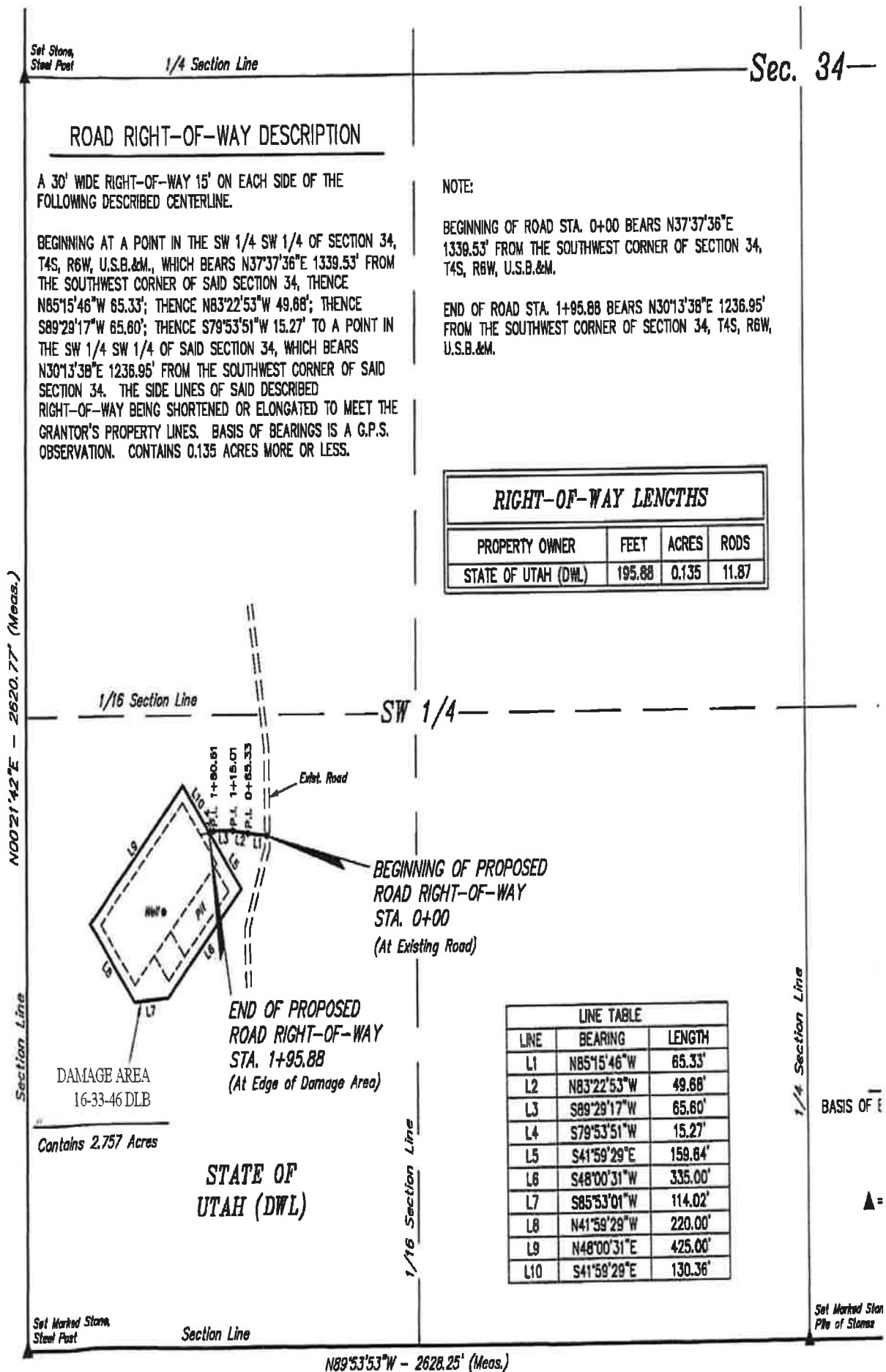
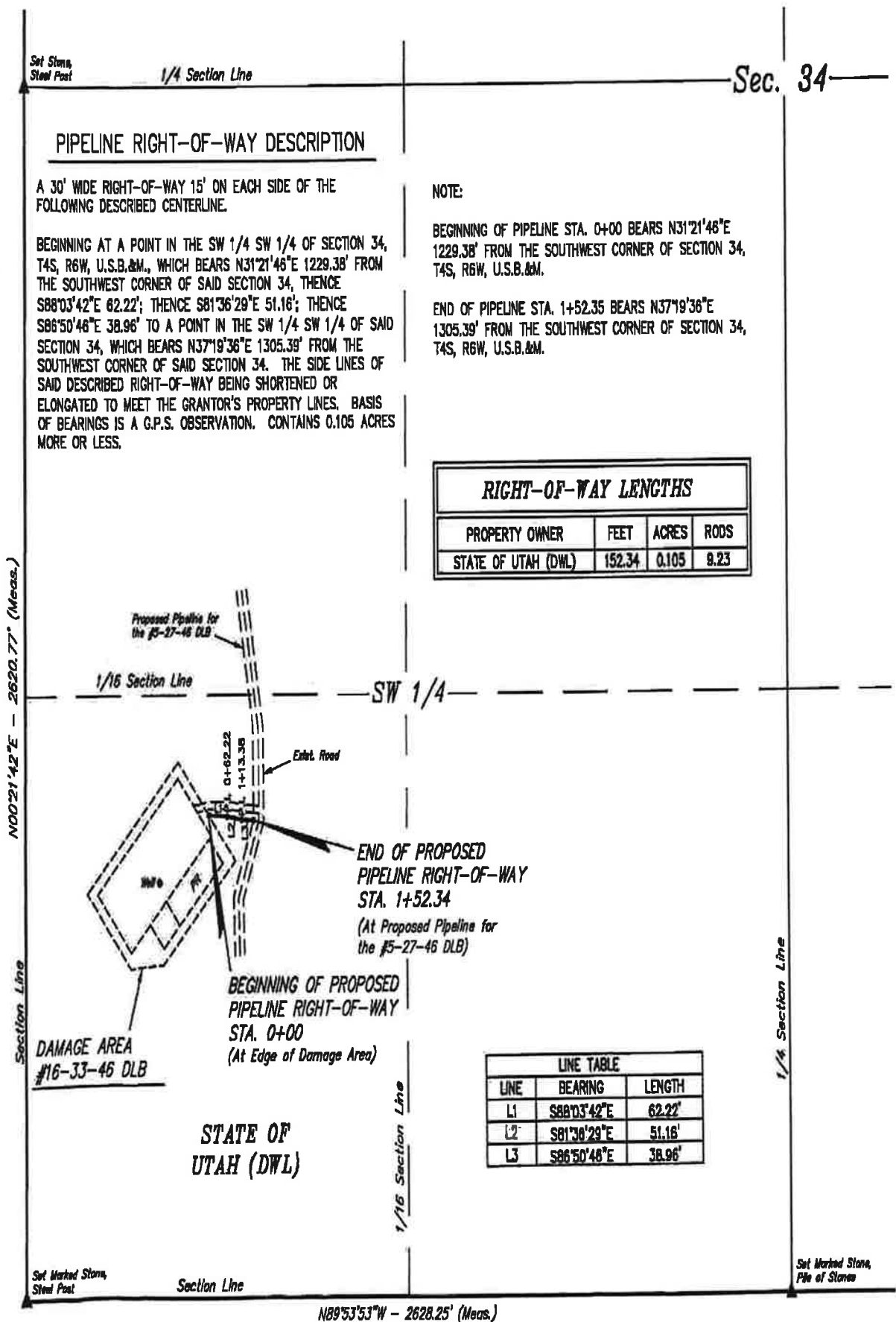


Exhibit C.3  
Depiction of Pipeline for #16-33-46 DLB Wellsite



**Exhibit D**  
Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development  
Project Area Duchesne County, Utah

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**SURFACE USE & OPERATIONS PLAN**

BILL BARRETT CORPORATION  
Indian Canyon and Black Tail Ridge Development Project Area  
Duchesne County, Utah

Contractors will be provided with an approved copy of the surface use plan of operations before initiating construction on Utah Division of Wildlife Resources surface.

The referenced project is located on Utah Division of Wildlife Resources, Ute Indian Tribe and Fee surface. This plan is intended to outline surface use and operations only on Utah Division of Wildlife Lands (DWR), with similar plans being submitted to the remaining owners as required.

Site specific conditions of approval will be outlined within the DWR surface use grants and site specific APD approvals.

1. Existing Roads:

Existing roads have been utilized wherever practical, use of these roads has been outlined within the submitted maps and plats and will be further described in the site specific right-of-way application and APD.

Improvements to existing access roads will be noted in the site specific APD's and in accordance with DWR specifications.

All existing roads will be maintained and kept in good repair during all drilling, completion, and producing operations associated with this project.

2. Planned Access Roads:

Planned access roads have been outlined within the submitted maps and plats for the project and will be further described in the site specific right-of-way application and APD.

Access roads will be constructed according to the surface owners' specifications. These specifications will become part of the approval package for the project once approved.

Surface disturbance and vehicular traffic will be limited to the approved access route. Any additional area needed will be approved in advance.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication, Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition – Revised 2007.

New access roads will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 32 feet. Graveling or capping the roadbed will be performed, as necessary, to provide a well-constructed and safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow.

The disturbed width needed may be wider than 32 feet to accommodate larger equipment where cuts and fills are required for road construction; intersections or sharp curves occur; or, as proposed by the operator. Approval will be required from the DWR.

Appropriate water control structures will be installed to control erosion.

**Exhibit D, cont'd**  
**Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development**  
**Project Area Duchesne County, Utah**

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If requested by the DWR "DEAD END ROAD" signs will be installed and maintained at a designated location.

Unless specified in the site specific APD, the following specifications will apply:

The maximum grade of 10% will be maintained throughout the project.

There will be no turnouts.

There will be no major cuts and fills, or bridges. Culverts and related drainage structures will be installed on an as-needed basis.

The access road will be centerline flagged prior to construction.

Gates, cattle guards, fence cuts, and modifications to existing range facilities will be installed on an as-needed basis.

Surfacing materials will be obtained from a state approved gravel source and be utilized as necessary to insure an all-weather road.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards.

All drainage ditches and culverts will be kept clear and free flowing and will be maintained according to the original construction standards.

The access road ROW will be kept free of trash during operations.

All traffic will be confined to the approved running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type.

Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing, nor shall the drainages be blocked by the roadbed.

Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.

Should mud holes develop, the holes shall be filled in and detours around the holes avoided.

When snow is removed from the road during the winter months, the snow should be pushed outside the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site specific APD showing the location of existing wells within a one-mile radius.

4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines:

The following guidelines will apply if the well is productive:

*All permanent (on site for six months or longer) structures constructed or installed will be painted a flat, non-reflective, olive black color. All facilities will be painted within six months of installation. Facilities that are required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.*

**Exhibit D, cont'd**

Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development  
Project Area Duchesne County, Utah

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*A containment dike will be constructed around those production facilities which contain fluids (i.e., production tanks, produced water tanks). This dike will be constructed of compacted subsoil, be impervious, hold 150% of the capacity of the largest tank, and be independent of the back cut. The site specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.*

*A description of the proposed pipeline and a map illustrating the proposed route will be submitted with the site specific right-of-way application and APD.*

All site security guidelines identified in Federal regulation 43 CFR 3126.7, will be adhered to. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease production will have prior written approval from the BLM/VFO.

Gas meter runs will be located approximately 100 feet from the wellhead. Where necessary, the gas line will be buried, or anchored down from the wellhead to the meter. Where necessary, meter runs will be housed and/or fenced.

5. Location and Type of Water Supply

The location and type of water supply will be submitted with the site specific APD.

6. Source of Construction Materials:

All construction materials for this project shall be borrow (local) material accumulated during construction of the location site, access roads or pipelines.

Additional gravel or pit lining material will be obtained from a private source.

The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 180 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

If it is determined at the onsite that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner a minimum of 12 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. Trash or scrap that could puncture the liner will not be disposed of in the pit.

Reserve pit leaks are considered an unacceptable and undesirable event and will be orally reported to the DWR.

After first production, produced wastewater will be trucked to one of the following approved waste water disposal sites: R.N. Industries, Inc. Sec. 4, T2S, R2W, Bluebell; MC & MC Disposal Sec. 12, T6S, R19E, Vernal; LaPoint Recycle & Storage Sec. 12, T5S, R19E, LaPoint or Water Disposal Inc. Sec. 32, T1S, R1W, Roosevelt; used in the operations of the field or, confined to the approved pit or storage tank for a period not to exceed 90 days.



**Exhibit D, cont'd**

**Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development  
Project Area Duchesne County, Utah**

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Production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites. Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The indiscriminate dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical portable toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location.

All debris and other waste materials not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

8. Ancillary Facilities:

There are no ancillary facilities planned for at this time and none are foreseen in the future.

9. Wellsite Layout:

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface materials stockpile(s) will be included with the site specific right-of-way application and APD.

The diagram will describe rig orientation, parking areas, and access roads as well as the location of the following:

The reserve pit.

The stockpiled topsoil, which shall not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.

The flare pit, which will be located downwind from the prevailing wind direction.

The access road.

All pits will be fenced according to the following minimum standards:

39-inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Distance between any two posts shall be no greater than 16 feet.

**Exhibit D, cont'd**

**Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development  
Project Area Duchesne County, Utah**

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All wire shall be stretched using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on two sides during drilling operations, and on the third and fourth sides when the rig moves off location. Pits will be fenced and maintained until cleanup.

**10. Plans for Restoration of the Surface:**

Immediately upon well completion, the location and surrounding area will be cleared of all unused pipe, materials, trash, and debris not required for production.

All disturbed areas will be re-contoured to the approximate natural contours.

Any drainage rerouted during the construction activities shall be restored to its original line of flow or as near as possible.

Prior to backfilling the reserve pit, the fence surrounding the reserve pit will be removed. The pit liner will be cut off at the water or mud line and disposed of at an approved landfill site. The liner will also be torn and perforated after the pit dries and prior to backfilling the reserve pit.

Before any dirt work associated with reserve pit restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations. The reserve pit will be reclaimed within 180 days from the date of well completion, weather permitting. Once reclamation activities have begun, the activities will be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The object is to keep seasonal rainfall and runoff from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert runoff as needed.

Prior to the construction of the location, the top 12 inches of soil material will be stripped and stockpiled. Placement of the topsoil will be noted on the location plat attached to the site specific right-of-way application and APD. Topsoil shall be stockpiled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. When all drilling and completion activities have been completed, the unused portion of the location (area outside the deadmen) will be re-contoured and topsoil spread over the area.

Topsoil to be stored for more than one year:

Shall be windrowed, where possible, to a depth of three (3) to four (4) feet at a specified location near the margin of the site.

Broadcast seeded with the prescribed seed mixture immediately after windrowing. The DWR shall be contacted for the required seed mixture. Seed will be drilled on the contour to an appropriate depth.

The stockpile then "walked" with a dozer to cover the seed.

Mulching may be one method considered to enhance the re-establishment of desired native plant communities.

**Exhibit D, cont'd**  
**Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development**  
**Project Area Duchesne County, Utah**

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When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas, including the old access road will be scarified and left with a rough surface.

If broadcast seeded, the amount of seed mixture per acre will be doubled, and a harrow or some other implement will be dragged over the seeded area to assure coverage of the seeds.

At final abandonment, all casing shall be cut off at the base of the cellar or 3 feet below final restored ground level, whichever is deeper, and cap the casing with a metal plate a minimum of 0.25 inches thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap also will be constructed with a weep hole.

11. Surface Ownership:

The ownership of the access roads will be specified in the site specific right-of-way application and APD.

The ownership of the well pad will be specified in the site specific right-of-way application and APD.

12. Other Information:

All operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites or other applicable facilities. A list of noxious weeds may be obtained from the DWR, BLM or the appropriate County Extension Office. On DWR administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.

Drilling rigs and/or equipment used during drilling operations on this location will not be stacked or stored on DWR administered lands after the conclusion of drilling operations or at any other time without authorization by the DWR.

A class III archaeological survey has been conducted with reports submitted to the DWR. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The operator is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Operator is to immediately stop work that might further disturb such materials and contact the DWR.

13. Operator's Representatives:

<p><del>Matt Barber – Permit Analyst</del> (303) 312-8813 4818</p>	<p><del>Tracey L. Fallang</del> Bill Barrett Corporation 1099 18th Street, Suite 2300 Denver, Colorado 80202</p>	<p>Direct:  Mobile: (720) 272-1710 596-</p>
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**Exhibit D, cont'd**  
Surface Use and Operations Plan for Indian Canyon and Blacktail Ridge Development  
Project Area Duchesne County, Utah

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David Watts – Landman	Direct: (303) 312-8544
Bill Barrett Corporation	
1099 18th Street, Suite 2300	
Denver, Colorado 80202	

Don Hamilton – Agent	Direct: (435) 719-2018
Buys & Associates, Inc.	Mobile: (435) 650-3866
2580 Creekview Road	
Moab, Utah 84532	

Exhibit EG  
Reclamation Bond Number LPM9002033

Bond Number LPM9002033

Easement Permit Bond

KNOW ALL MEN BY THESE PRESENTS, That We Bill Barrett Corporation  
\_\_\_\_\_ of Denver, CO  
\_\_\_\_\_ hereinafter referred to as the Principal, and Fidelity and Deposit Company of Maryland  
\_\_\_\_\_ a corporation organized and existing under the laws of the State of Maryland  
and authorized to do business in the State of Utah as Surety, are held and firmly  
bound unto State of Utah, Department of Natural Resources, Division of Wildlife  
Resources, 1594 W. North Temple, Ste 2110, SLC, UT  
herein after referred to as Oblige, in the sum of Four Hundred Seventeen Thousand Three Hundred and  
Fifty and no/100 Dollars (\$417,350.00) lawful money of the United States of America  
to the payment of which sum, well and truly to be made, we bind ourselves, our executors, administrators,  
successors and assigns, firmly by these presents.

WHEREAS, the Principal has applied for a license or permit for DUC-1002EA-122 for the following well  
sites: 14-34-46 DLB, 16-33-46 DLB and 5-34-46 DLB and their supporting roads and pipelines for the term  
beginning the 31st of March 2010 and ending the 31" day of March 2011 to cover the term of said License or  
Permit.

NOW, THEREFORE, if said Principal shall faithfully perform all the duties of this lease according to the  
requirements of the ordinance of said Obligee and protect  
said Obligee from any damage as hereinbefore stated, then  
this obligation shall be null and void; otherwise to remain in full force and effect.

THIS BOND WILL continue in force until March 31, 2011 and will continue with a Continuation  
Certificate signed by Principal and Surety.

SIGNED, SEALED and DATED this 31st day of March 2010

Bill Barrett Corporation

Principal

By: Huntington T. Walker  
Huntington T. Walker  
Sr. Vice President - Land  
Fidelity and Deposit Company of Maryland

Surety

By: Jana M. Forrest  
Jana M. Forrest , Attorney-in-Fact

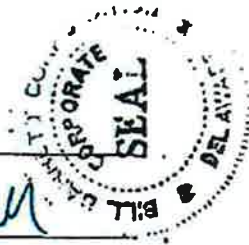




Exhibit EG, cont'd  
Reclamation Bond Number LPM9002033

Power of Attorney  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, corporations of the State of Maryland, by DAVID S. HEWETT, Vice President, and GREGORY E. MURRAY, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint Scott T. POST, Bret S. BURTON, Jana M. FORREST, Tim H. HEFFEL, Desiree E. WESTMORELAND, Kathleen A. SNYDER and Emily R. TERHUNE, all of Wichita, Kansas, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as such, and as its act and deed, any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of those powers, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Scott T. POST, Bret S. BURTON, Jana M. FORREST, Tim H. HEFFEL, Erica M. PLUMMER, Desiree E. WESTMORELAND, Kathleen A. SNYDER, dated June 19, 2008.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seals of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, this 9th day of March, A.D. 2009.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY



*Gregory E. Murray*

By:

*David S. Hewett*

Gregory E. Murray Assistant Secretary

David S. Hewett

Vice President

State of Maryland } ss:  
City of Baltimore

On this 9th day of March, A.D. 2009, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came DAVID S. HEWETT, Vice President, and GREGORY E. MURRAY, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Companies aforesaid, and that the seals affixed to the preceding instrument is the Corporate Seals of said Companies, and that the said Corporate Seals and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



*Constance A. Dunn*

Constance A. Dunn

Notary Public

My Commission Expires: July 14, 2011

Exhibit FH  
Cooperative Agreement

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COOPERATIVE AGREEMENT

between

BILL BARRETT CORPORATION

and the

UTAH DIVISION OF WILDLIFE RESOURCES

for

*Mitigation Related to Oil and Gas Field Development  
on the Indian Canyon Wildlife Management Area*

**WHEREAS**, Bill Barrett Corporation (“BBC”) and their agents/contractors, desire to construct well pads, roads, and pipelines, and drill three (3) oil and natural gas wells, said wells specifically identified as wells #5-34-46 DLB, #14-34-46 DLB, and #16-33-46 DLB, beginning in the Summer, 2011 and running until completion without having to undergo delays related to winter wildlife closures during the term of this agreement; and,

**WHEREAS**, in recognition of the crucial wildlife habitat values found in the area, BBC sought to coordinate early with Utah Division of Wildlife Resources (DWR) staff and to develop practicable solutions which enabled field development and also provided for compensatory mitigation to support habitat restoration benefiting wildlife; and,

**WHEREAS**, the Division has assessed wildlife habitat conditions in the area, and identified specific opportunities to compensate for unavoidable effects of oil and gas field related disturbance by instituting specific wildlife habitat restoration practices which would yield substantial benefits for wildlife; and,

**WHEREAS**, the Division in this instance feels that it would be in the best interests of wildlife to accept a commensurate payment from BBC, who have worked diligently to mitigate for their construction impacts by coordinating early with DWR staff, which would enable DWR and their cooperators to conduct habitat treatments of a type and extent which would serve wildlife and also supply BBC’s compensatory mitigation.

**NOW, THEREFORE**, let this document serve to capture the essence of the agreement by BBC and DWR, to the effect that BBC has or will issue to DWR a single, **Twenty-six Thousand Dollar (\$26,000)** compensatory mitigation payment, plus a **Five-Thousand, Two-Hundred Dollar (\$5,200)** payment for each well in the process of being drilled or completed at any time between the dates of December 1 and April 15 (winter closure period) during the term of this agreement, specifically intended to enable DWR to conduct several hundred acres of habitat restoration, situated reasonably near the originally impacted wildlife habitats, as DWR determined would be most effective for benefiting wildlife populations of the area. The funds may be used for any related expense pertaining to such wildlife habitat treatments as may be conducted in the general area, but not for unrelated purposes or distantly removed locations.

Exhibit H, cont'd  
Cooperative Agreement

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The term of this agreement shall commence on the date of the last signature below, and shall terminate at midnight on April 15, 2012.

AGREED TO BY:

  
Huntington T. Walker

\_\_\_\_\_  
Date 

Sr. Vice President - Land  
Bill Barrett Corporation

  
James F. Karpowitz, Director  
Utah Division of Wildlife Resources  
Salt Lake City, UT

ACTING DIRECTOR

7/29/10  
\_\_\_\_\_  
Date

  
Linda Braithwaite, Financial Manager  
Utah Division of Wildlife Resources  
Salt Lake City, UT

7/29/10  
\_\_\_\_\_  
Date

**Surface Use Plan for  
Bill Barrett Corporation's  
Development Program  
Lake Canyon Area  
Duchesne County, Utah**

**1. Existing Roads:**

The Lake Canyon area is located approximately 12 miles southwest of Duchesne, Utah and extends from Township 3 South, Range 10 West to Township 5 South, Range 6 West. The specific location of a particular well pad will be shown on maps and described in the site specific APD.

The use of Skitzzy Road is necessary to access the area. Improvements to Skitzzy Road and other existing access roads will be noted in the site specific APD's.

**2. Planned Access Roads:**

Descriptions of new access road(s) will be included in the site specific APD.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advanced with the UDWR.

**3. Location of Tank Batteries, Production Facilities, and Production Gathering And Service Lines:**

The following guidelines will apply if the well is productive:

All permanent (on site for six months or longer) structures constructed or installed will conform to DOGM standards. All facilities will be painted within six months of installation.

A containment dike will be constructed completely around production facilities which contain fluids (i.e., production tanks, produced water tanks). This dike will be constructed of compacted subsoil, be impervious, and hold a minimum of 110% of the capacity of the largest tank. Topsoil will not be used for the construction of dike(s).

A description of the proposed pipeline and a map illustrating the proposed route will be submitted with the well site specific APD.

4. **Location and Type of Water Supply**

The Duchesne City Culinary Water Dock located in section 1, T4S-R5W will be used for water supply for drilling and completion operations. Additional water supply sources will be addressed in the site specific APD, indicating the location and type of water supply.

5. **Source of Construction Materials:**

All construction materials for this location site and access road shall be borrowed (local) material accumulated during construction of the location site and access road. No construction materials will be removed from UDWR lands. If any gravel is used, it will be obtained from an approved gravel pit.

6. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including any salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 180 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed.

Unless otherwise specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not allow discharge of liquids.

If it is determined, at the onsite, that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner a minimum of 12-millimeters thick. The liner will overlay a felt-liner pad if rock that might tear or puncture the liner is encountered during excavation. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. Trash, scrap pipe, etc. that could puncture the liner will not be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operations. The pit liner will be protected during drilling and completion operations.

Production fluids will be contained in leak-proof tanks. All production fluids will be sold, recycled, or disposed of at approved disposal sites.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.



A chemical self-contained sanitary-toilet will be onsite during drilling and completions.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location.

All debris and other waste materials not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The reserve pit fencing will be on three sides before drilling operations start. The fourth side will be fenced as soon as drilling is completed and the rig is removed. The fencing will be maintained until such time as the pits are backfilled.

7. **Ancillary Facilities:**

Garbage containers and portable toilets are the only ancillary facilities proposed. No additional ancillary facilities are foreseen in the future.

8. **Wellsite Layout:**

A location layout diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface materials stockpile(s) will be included with the site specific APD and developed through a consultant.

9. **Plans for Restoration of the Surface:**

The dirt contractor will be provided with an approved copy of the surface use plan and these Standard Operating Procedures prior to commencing construction activities.

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production. All reclamation standards will be developed between Bill Barrett Corporation (BBC) and UDWR. Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions may include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and the re-establishment of vegetation as specified.

All disturbed areas will be re-contoured to the approximate natural contours.

Any drainage rerouted during the construction activities shall be restored as near

as possible to its original line of flow.

Prior to backfilling the reserve pit, the fence surrounding the reserve pit will be removed. The pit liner will be cut off at the water or mud line and disposed of at an approved landfill site. The remaining liner will be torn and perforated after the pit dries and prior to backfilling the reserve pit.

Before any dirt work associated with reserve pit restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations. The reserve pit will be reclaimed within 180 days from the date of well completion, weather permitting, unless it is determined that this location will be utilized to drill additional wells within 1 year of completing operations.

After the reserve pit has been reclaimed, diversion ditches and water bars will be used to divert precipitation runoff/runoff as appropriate.

Prior to the construction of the location, the top 6 inches or maximum available topsoil material will be stripped and stockpiled. Placement of the topsoil will be noted on the location plat attached to the site specific APD. Topsoil shall be stockpiled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. When all drilling and completion activities have been completed, the unused portion of the location (area outside the deadmen) will be recontoured and the stockpiled topsoil spread over the area.

If topsoil must be stored for more than one year:

It shall be windrowed on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.

It shall be broadcast seeded with the prescribed seed mixture immediately after windrowing. Seed will be drilled on the contour to an appropriate depth and the stockpile then "walked" with a dozer to cover the seed and roughen the soil to prevent erosion.

Mulching may be considered to enhance the re-establishment of desired native plant communities. If straw or hay mulch is used, the straw and hay must be certified to be weed-free and the documentation submitted prior to usage.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas, including the old access road will be scarified and left with a rough surface.

UDWR shall be contacted for the required seed mixture. Seed will be drilled on

the contour to an appropriate depth. If broadcast seeded, the amount of seed mixture per acre will be doubled, and a harrow or some other implement will be dragged over the seeded area to assure coverage of the seeds.

At final abandonment, BBC will follow UT-DOGM standards for final well abandonment.

**10. Other Information:**

The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the BBC field representative to ensure compliance.

The operator will control noxious weeds along applied access road authorizations, pipeline route authorizations, well sites or other applicable facilities

Wells drilled during the fire season (June – October) all appropriate precautions shall be instituted to ensure that fire hazard is minimized, including, but not limited to, controlling vegetation and keeping fire fighting equipment readily available during all drilling and completion operations.

Drilling rigs and/or equipment used during drilling operations on locations will not be stacked or stored on UDWR administered lands after the conclusion of drilling operations or at any other time without permission by the UDWR. If UDWR permission is obtained, such storage will only be temporary measure.

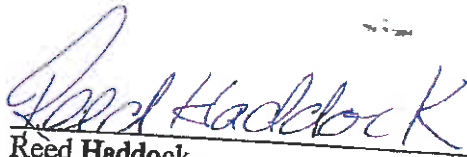
Travel will be restricted to approved travel routes.

**11. CERTIFICATION**

Reed Haddock  
Bill Barrett Corporation  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202

Phone: 303-312-8546  
Fax: 303-291-0420

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bill Barrett Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Reed Haddock  
Permit Analyst

DATE: February 27, 2007

12. **Bill Barrett Corporation and UDWR Contacts:**

**BBC Representatives:**

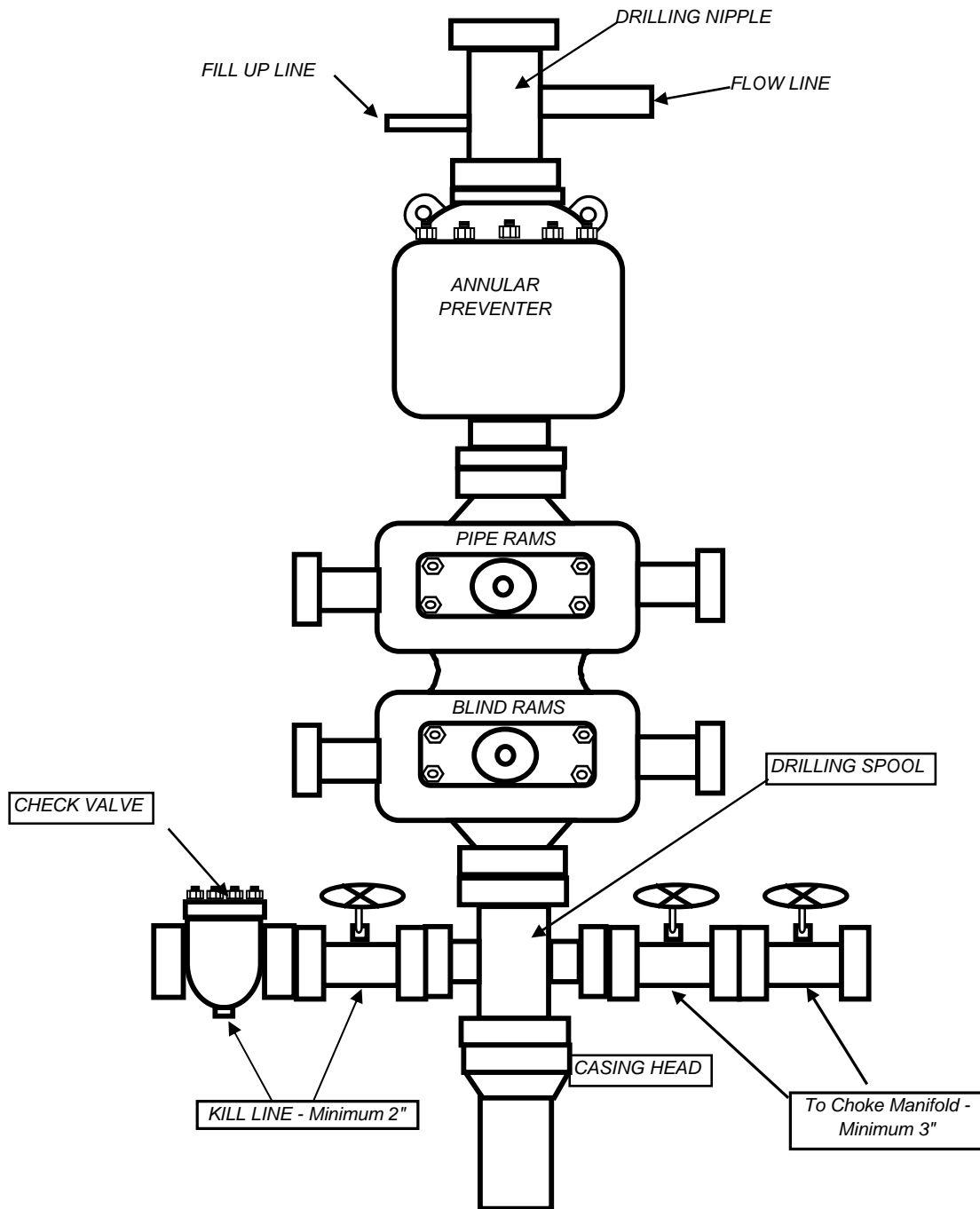
Reed Haddock, Regulatory and Permitting; Phone: (303) 312-8546  
Scot Donato, Environmental Health and Safety; Phone: (303) 312-8191  
Monty Shed, Field Operations; Phone: (307) 262-1511

**UDWR Representatives:**

Ben Williams, UDWR, Wildlife Resources; Phone: (435) 781-5357  
Bill James, UDWR, Wildlife Resources, Manager; Phone: (801) 538-4745

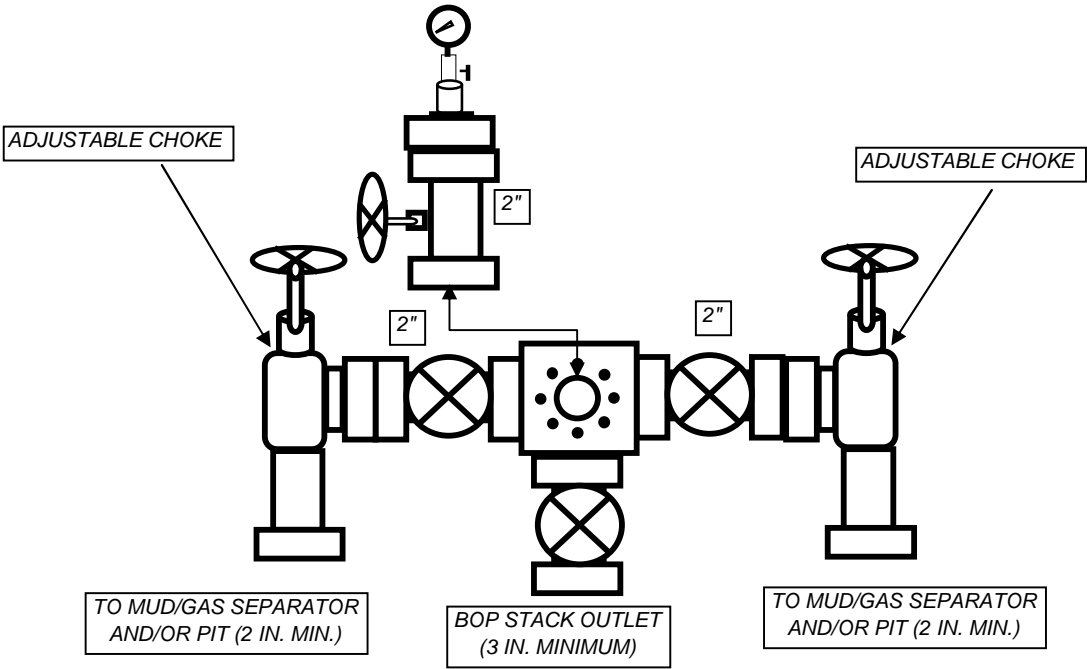
# BILL BARRETT CORPORATION

## TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER



BILL BARRETT CORPORATION

TYPICAL 3,000 p.s.i. CHOKE MANIFOLD







**Bill Barrett Corporation**

November 2, 2010

Ms. Diana Mason – Petroleum Technician  
State of Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Directional Drilling R649-3-11  
**Lake Canyon Area #14-34-46 DLB Well**  
Surface: 559' FSL & 2,404' FWL, SESW, 34-T4S-R6W, USM  
Bottom Hole: 660' FSL & 1,980' FWL, SESW, 34-T4S-R6W, USM  
Duchesne County, Utah

Dear Ms. Mason,

Pursuant to the filing of Bill Barrett Corporation's ("BBC") Application for Permit to Drill the above referenced well, we hereby submit this letter in accordance with Oil & Gas Conservation Rules R649-2, R649-3, R649-10 and R649-11, pertaining to the Location and Siting of Wells.

- The proposed location is within our Lake Canyon Area.
- BBC is permitting this well as a directional well in order to minimize surface disturbance. By locating the well at the surface location and directionally drilling from this location, BBC will be able to utilize the existing road and pipelines in the area.
- The well will be drilled under an Exploration and Development Agreement between the Ute Indian Tribe and Ute Distribution Corporation. Ute Energy, LLC owns a right to participate in this well.
- BBC certifies that it is the working interest owner of all lands within 460 feet of the proposed well location, and together with Ute Energy, LLC, we own 100% of the working interest in these lands.

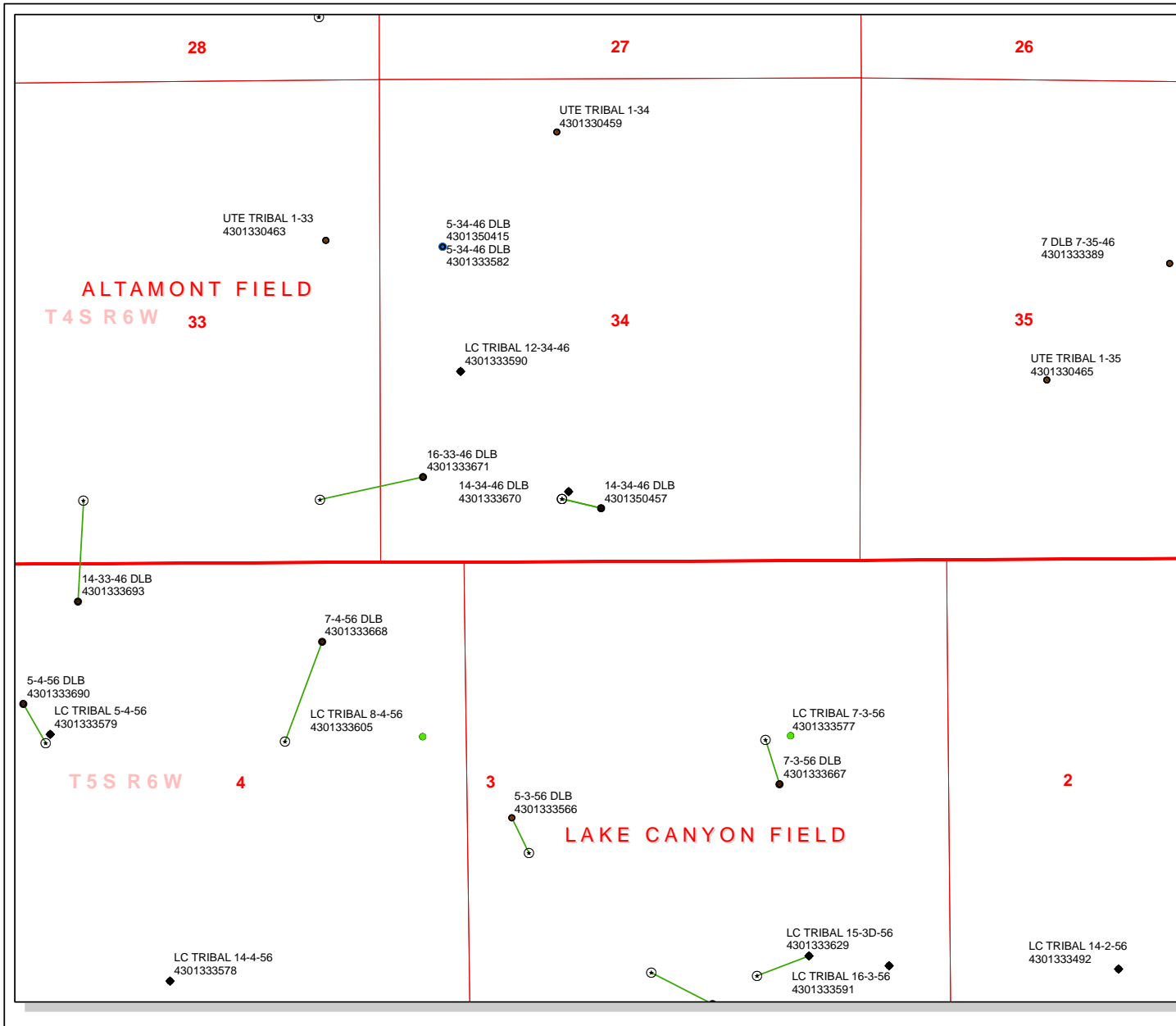
Based on the information provided, BBC requests that the permit be granted pursuant to R649-3-11. Should you have any questions or need further information, please contact me at 303-312-8544.

Sincerely,

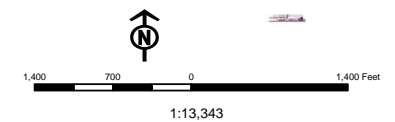
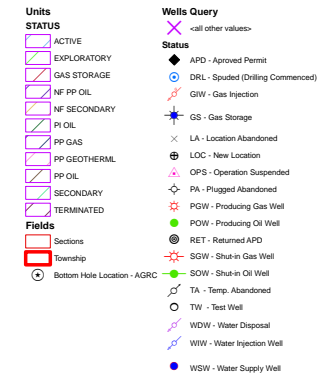
*David Watts*  
David Watts *by EW*  
Landman

1099 18TH STREET  
SUITE 2300  
DENVER, CO 80202  
P 303.293.9100  
F 303.291.0420

'APIWellNo:43013504570000'



**API Number: 4301350457**  
**Well Name: 14-34-46 DLB**  
**Township 04.0 S Range 06.0 W Section 34**  
**Meridian: UBM**  
**Operator: BILL BARRETT CORP**  
**Map Prepared:**  
**Map Produced by Diana Mason**



**ON-SITE PREDRILL EVALUATION****Utah Division of Oil, Gas and Mining**

**Operator** BILL BARRETT CORP  
**Well Name** 14-34-46 DLB  
**API Number** 43013504570000 **APD No** 3107 **Field/Unit** ALTAMONT  
**Location: 1/4,1/4** SESW **Sec** 34 **Tw** 4.0S **Rng** 6.0W 559 FSL 2404 FWL  
**GPS Coord (UTM)** 538437 4436977 **Surface Owner**

**Participants**

This space too small for a complete list of attendees. See other comments section.

**Regional/Local Setting & Topography**

This location is set near the top of a large fairly flat ridge which lies to the west of Indian Canyon. Indian Canyon is a major transportation corridor between Duchesne and Price. Site slopes east to a small ravine which drains north to Skitz Canyon. Skitz Canyon drains northward to the Strawberry River at a point approximately 6 miles west of Duchesne Utah.

**Surface Use Plan****Current Surface Use**

Wildlife Habitat  
Recreational  
Deer Winter Range

<b>New Road Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.3	<b>Width</b> 240 <b>Length</b> 375	Onsite	UNTA

**Ancillary Facilities** N

**Waste Management Plan Adequate?** Y

**Environmental Parameters**

**Affected Floodplains and/or Wetlands** N

**Flora / Fauna**

Service berry, mahogany, crested wheat grass, sage, pinjon pine, juniper, elder berry

Deer, elk, bear, coyote, lion, raptors, birds, small mammals.

**Soil Type and Characteristics**

Loam soil, scattered broken shale on surface.

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diversion Required?** N

**Berm Required?** N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

**Reserve Pit****Site-Specific Factors****Site Ranking**

<b>Distance to Groundwater (feet)</b>	>200	0
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5
<b>Affected Populations</b>		
<b>Presence Nearby Utility Conduits</b>	Not Present	0
	<b>Final Score</b>	20
		1 Sensitivity Level

**Characteristics / Requirements**

200' x 70' x 8'deep.

Reserve pit is in cut and appears to be in the best position for this site. Kary Eldredge stated that Bill Barrett plans to use a 20 mil liner. This should be adequate.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

**Other Observations / Comments**

Attendees:

Richard Powell (DOGM), Matt Serfustini (EIS), Roger Mitchell (Findley well site), Ben Williams and Alex Hansen (DWR), Clint Turner (Turner Petroleum Land Services), Don Hamilton (Buys and Assoc.), Danny Rasmussen (UELS), Bill Civish, James Hereford, Karl Wright (BLM), Kelly Jo Jackson (MOAC), Kary Eldredge (Bill Barrett).

Richard Powell  
**Evaluator**

10/7/2010  
**Date / Time**

# Application for Permit to Drill

## Statement of Basis

11/18/2010

Utah Division of Oil, Gas and Mining

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Owner</b>	<b>CBM</b>
3107	43013504570000	LOCKED	OW	S	No
<b>Operator</b>	BILL BARRETT CORP		<b>Surface Owner-APD</b>		
<b>Well Name</b>	14-34-46 DLB		<b>Unit</b>		
<b>Field</b>	ALTAMONT		<b>Type of Work</b>		DRILL
<b>Location</b>	SESW 34 4S 6W U 559 FSL 2404 FWL GPS Coord (UTM) 538423E 4436967N				

**Geologic Statement of Basis**

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill  
**APD Evaluator**

11/17/2010  
**Date / Time**

**Surface Statement of Basis**

This presite was scheduled by BLM representative James Hereford. Surface owner Utah DWR representatives Ben Williams and Alex Hansen were in attendance. Mr. Williams stated that this site is in crucial deer and elk winter range and that drilling and construction could not take place between November 15 and April 15. But Mr. Williams further stated that this restriction was waived in lieu of a mediation payment to DWR from Bill Barrett Corp. DWR stated their desire that a tank and equipment paint color be used which will best suite the environment. Also, DWR expressed their desire that all pipelines be buried.

Richard Powell  
**Onsite Evaluator**

10/7/2010  
**Date / Time**

**Conditions of Approval / Application for Permit to Drill**

<b>Category</b>	<b>Condition</b>
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

# WORKSHEET

## APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 11/3/2010

**WELL NAME:** 14-34-46 DLB

**OPERATOR:** BILL BARRETT CORP (N2165)

**CONTACT:** Elaine Winick

**PROPOSED LOCATION:** SESW 34 040S 060W

**SURFACE:** 0559 FSL 2404 FWL

**BOTTOM:** 0660 FSL 1980 FWL

**COUNTY:** DUCHESNE

**LATITUDE:** 40.08400

**UTM SURF EASTINGS:** 538423.00

**FIELD NAME:** ALTAMONT

**LEASE TYPE:** 2 - Indian

**LEASE NUMBER:** 2OG0005500

**SURFACE OWNER:** 3 - State

**API NO. ASSIGNED:** 43013504570000

**PHONE NUMBER:** 303 293-9100

**Permit Tech Review:** ☒

**Engineering Review:** ☐

**Geology Review:** ☒

**LONGITUDE:** -110.54933

**NORTHINGS:** 4436967.00

**PROPOSED PRODUCING FORMATION(S):** GREEN RIVER-WASATCH

**COALBED METHANE:** NO

### RECEIVED AND/OR REVIEWED:

☒ **PLAT**

☒ **Bond:** INDIAN - LPM 879501

☐ **Potash**

☐ **Oil Shale 190-5**

☐ **Oil Shale 190-3**

☐ **Oil Shale 190-13**

☒ **Water Permit:** Duchesne City Culinary Water Dock

☐ **RDCC Review:**

☒ **Fee Surface Agreement**

☐ **Intent to Commingle**

**Commingle Approved**

### LOCATION AND SITING:

☐ **R649-2-3.**

**Unit:**

☐ **R649-3-2. General**

☐ **R649-3-3. Exception**

☒ **Drilling Unit**

**Board Cause No:** R649-3-2

**Effective Date:**

**Siting:**

☒ **R649-3-11. Directional Drill**

**Comments:** Presite Completed  
SURF OWNER DWR:

**Stipulations:** 4 - Federal Approval - dmason  
5 - Statement of Basis - bhll  
15 - Directional - dmason  
23 - Spacing - dmason





GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** 14-34-46 DLB  
**API Well Number:** 43013504570000  
**Lease Number:** 2OG0005500  
**Surface Owner:** STATE  
**Approval Date:** 11/18/2010

**Issued to:**

BILL BARRETT CORP, 1099 18th Street Ste 2300, Denver, CO 80202

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the GREEN RIVER-WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

**General:**

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**Conditions of Approval:**

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

**Approved By:**

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers  
Associate Director, Oil & Gas

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 20G0005500
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE
<b>2. NAME OF OPERATOR:</b> BILL BARRETT CORP		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> 14-34-46 DLB
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0559 FSL 2404 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESW Section: 34 Township: 04.0S Range: 06.0W Meridian: U		<b>9. API NUMBER:</b> 43013504570000
<b>PHONE NUMBER:</b> 303 312-8164 Ext		<b>9. FIELD and POOL or WILDCAT:</b> ALTAMONT
<b>COUNTY:</b> DUCHESNE		<b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/1/2012	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
  
 BBC hereby requests a one year extension of the subject well location. This well is planned to be drilled in 2012.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12/08/2011

By:

<b>NAME (PLEASE PRINT)</b> Venessa Langmacher	<b>PHONE NUMBER</b> 303 312-8172	<b>TITLE</b> Senior Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/6/2011	



## The Utah Division of Oil, Gas, and Mining

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

### Request for Permit Extension Validation Well Number 43013504570000

**API:** 43013504570000

**Well Name:** 14-34-46 DLB

**Location:** 0559 FSL 2404 FWL QTR SESW SEC 34 TWNP 040S RNG 060W MER U

**Company Permit Issued to:** BILL BARRETT CORP

**Date Original Permit Issued:** 11/18/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Signature:** Venessa Langmacher

**Date:** 12/6/2011

**Title:** Senior Permit Analyst **Representing:** BILL BARRETT CORP

**RECEIVED** Dec. 06, 2011

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 20G0005500
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0559 FSL 2404 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESW Section: 34 Township: 04.0S Range: 06.0W Meridian: U		<b>9. API NUMBER:</b> 43013504570000
<b>9. FIELD and POOL or WILDCAT:</b> ALTAMONT		<b>COUNTY:</b> DUCHESNE
<b>STATE:</b> UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/1/2012	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
  
 BBC hereby requests a one year extension of the subject well location. This well is planned to be drilled in 2012.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12/08/2011

By:

<b>NAME (PLEASE PRINT)</b> Venessa Langmacher	<b>PHONE NUMBER</b> 303 312-8172	<b>TITLE</b> Senior Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/6/2011	



## The Utah Division of Oil, Gas, and Mining

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

### Request for Permit Extension Validation Well Number 43013504570000

**API:** 43013504570000

**Well Name:** 14-34-46 DLB

**Location:** 0559 FSL 2404 FWL QTR SESW SEC 34 TWNP 040S RNG 060W MER U

**Company Permit Issued to:** BILL BARRETT CORP

**Date Original Permit Issued:** 11/18/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Signature:** Venessa Langmacher

**Date:** 12/6/2011

**Title:** Senior Permit Analyst **Representing:** BILL BARRETT CORP

**RECEIVED** Dec. 06, 2011



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 20G0005500
<b>1. TYPE OF WELL</b> Oil Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE
<b>2. NAME OF OPERATOR:</b> BILL BARRETT CORP		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 1099 18th Street Ste 2300 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> 14-34-46 DLB
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0559 FSL 2404 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESW Section: 34 Township: 04.0S Range: 06.0W Meridian: U		<b>9. API NUMBER:</b> 43013504570000
<b>9. FIELD and POOL or WILDCAT:</b> ALTAMONT		<b>COUNTY:</b> DUCHESNE
<b>STATE:</b> UTAH		
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/1/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION         </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER         </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input checked="" type="checkbox"/> <b>APD EXTENSION</b>          OTHER: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> </div> </div>	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b>  BBC hereby requests a one year extension of the subject well location. This well is planned to be drilled in 2012.		
<b>Approved by the Utah Division of Oil, Gas and Mining</b>  <b>Date:</b> 12/08/2011 <b>By:</b>		
<b>NAME (PLEASE PRINT)</b> Venessa Langmacher	<b>PHONE NUMBER</b> 303 312-8172	<b>TITLE</b> Senior Permit Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/6/2011	



## The Utah Division of Oil, Gas, and Mining

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

### Request for Permit Extension Validation Well Number 43013504570000

**API:** 43013504570000

**Well Name:** 14-34-46 DLB

**Location:** 0559 FSL 2404 FWL QTR SESW SEC 34 TWNP 040S RNG 060W MER U

**Company Permit Issued to:** BILL BARRETT CORP

**Date Original Permit Issued:** 11/18/2010

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- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Signature:** Venessa Langmacher

**Date:** 12/6/2011

**Title:** Senior Permit Analyst **Representing:** BILL BARRETT CORP

**RECEIVED** Dec. 06, 2011

RECEIVED  
VERNAL FIELD OFFICE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>BIA 14-20-H6245500 6305</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>UTE INDIAN TRIBE</b>
2. Name of Operator <b>BILL BARRETT CORPORATION</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b>
3a. Address <b>1099 18th Street, Suite 2300 Denver CO 80202</b>	3b. Phone No. (include area code) <b>(303) 312-8546</b>	8. Lease Name and Well No. <b># 14-34-46 DLB</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>SESW, 559' FSL, 2404' FWL, Sec. 34, T4S, R6W</b> At proposed prod. zone <b>SESW, 660' FSL, 1980' FWL, Sec. 34, T4S, R6W</b>		9. API Well No. <b>Pending 43 013 50457</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately 14.5 miles southwest of Duchesne, Utah</b>		10. Field and Pool, or Exploratory <b>Altamont</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>559' SHL; 660' BHL</b>	16. No. of acres in lease <b>N/A</b>	11. Sec., T. R. M. or Blk. and Survey or Area <b>Section 34-T4S-R6W U.S.B.&amp;M.</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>None</b>	19. Proposed Depth <b>9449'</b>	12. County or Parish <b>Duchesne</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>7370' ungraded ground</b>	22. Approximate date work will start* <b>07/01/2007</b>	13. State <b>UT</b>
23. Estimated duration <b>45 days</b>		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) <b>Reed Haddock</b>	Date <b>05/16/2007</b>
-------------------	---	---------------------------

Title  
**Permit Analyst**

Approved by (Signature) 	Name (Printed/Typed) <b>Jerry Kenczka</b>	Date <b>JAN 10 2013</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office <b>VERNAL FIELD OFFICE</b>	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

UDOGM

RECEIVED  
JAN 22 2013

DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL  
CONDITIONS OF APPROVAL ATTACHED

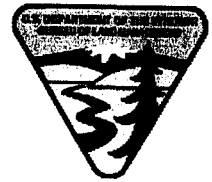
09BM0697A



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE  
VERNAL, UT 84078

170 South 500 East

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company: Bill Barrett Corporation  
Well No: 14-34-46 DLB  
API No: 43-013-50457

Location: SESW, T4S, R6W, SEC.34  
Lease No: 14-20-H62-6305  
Agreement: N/A

**OFFICE NUMBER: (435) 781-4400**

**OFFICE FAX NUMBER: (435) 781-3420**

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Construction Activity (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	- The Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist shall be notified at least 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	- Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion. Notify the BLM Environmental Scientist prior to moving on the drilling rig.
Spud Notice (Notify BLM Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify BLM Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings to: <a href="mailto:blm_ut_vn_opreport@blm.gov">blm_ut_vn_opreport@blm.gov</a>
BOP & Related Equipment Tests (Notify BLM Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify BLM Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

**Additional Stipulations:**

- The operator will strictly adhere to all Stipulations and Conditions of Approval associated with the Utah Division of Wildlife Resources (UDWR) Site-Specific Environmental Assessment DUC-1002EA-122.
- Any deviation of submitted APD's and ROW applications the operator will notify the UDWR in writing and will receive written authorization of any such change with appropriate authorization.
- The operator will implement "Safety and Emergency Plan." The operator's safety director will ensure its compliance.
- All operator employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the UDWR should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- All production facilities are to be painted Beetle to match to the surrounding landscape. See new environmental color chart for specific color. This was decided on the onsite and agreed to by DWR representatives and BBC.
- All pipelines need to be buried to adhere to DWR wildlife guidelines for mitigation in crucial winter range for deer and elk.

**General Conditions of Approval:**

- A 30' foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipelines.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROW's.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-

CONTRACTORS, LEASING CONTRACTORS, AND ETC.” have acquired a current and valid Ute Tribal Business License and have “Access Permits” prior to construction, and will have these permits in all vehicles at all times.

- You are hereby notified that working under the “umbrella” of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
- Bill Barrett Corporation will implement a “Safety and Emergency Plan.” The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's, COA's, and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

**DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

- Use 1" tubing to cement top 100 feet of surface casing with class G neat cement (1018 cubic feet per sack).
- The top of the production casing cement shall extend a minimum of 200 feet above the 9 5/8" surface casing shoe.
- All casing strings below the conductor shall be pressure tested to 0.22 psi/ft. or 1500 psi, whichever is greater, but not to exceed 79% of the internal yield strength of the casing.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.



- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well by CD (compact disc). This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at [www.ONRR.gov](http://www.ONRR.gov).
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and

Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent

Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 4, 2013

Bill Barrett Corp.  
1099 18<sup>th</sup> Street Ste. 2300  
Denver, CO 80202

Re: APD Rescinded – 14-34-46 DLB, Sec. 34, T. 4S, R. 6W  
Duchesne County, Utah API No. 43-013-50457

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 18, 2010. On December 8, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 4, 2013.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal

